

**City of Port Colborne
Council Meeting Agenda**

Date: December 13, 2021
Time: 6:30 pm
Location: Council Chambers, 3rd Floor, City Hall
66 Charlotte Street, Port Colborne

Pages

1. Call to Order
2. National Anthem
3. Land Acknowledgment
4. Proclamations
5. Adoption of Agenda
6. Disclosures of Interest
7. Approval of Minutes
 - 7.1. Regular Meeting of Council - November 22, 2021 1
 - 7.2. Committee of the Whole-Budget - December 6, 2021 10
8. Recommendations Arising from Committees
 - 8.1. 2022 Rates Budget, 2021-311 13

That Corporate Services Department Report 2021-311, **BE RECEIVED**;
and
That the 2022 Rates Budget as outlined in Appendix B to Corporate
Services Department Report 2021-311, **BE APPROVED**.

That Corporate Services Department Report 2021-312, **BE RECEIVED**;

That Council approve a 0% increase to the 2022 Water and Wastewater Rates;

That the 2022 Storm Sewer Rates as outlined on page 5 of Corporate Services Department Report 2021-312, **BE APPROVED**; and

That the Director of Public Works and Director of Corporate Services/Treasurer be directed to prepare an aggressive Storm Water Work Plan and Financial Plan and bring a report forward to Council that includes these Plans in February, 2022.

9. Staff Reports

9.1.	Virtual City Hall – Account Sign-up Incentive, 2021-230	76
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9.3.	Land Acquisition – Pt. Lot 24, Con. 3, Part 1 59R-17094, 2021-234	175
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10. Correspondence Items

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10.4.	Niagara Region - JAAC Letter to Councils Re: NRT OnDemand App Accessibility	355
10.5.	Niagara Region - Additional Information regarding Optional Small Business Tax Subclass	357
10.6.	Niagara Region - Report CSD 67-2021 - 2022 Budget - Waste Management Services Operating Budget and Rate Requisition	376
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10.8.	CUPE Ontario - OMERS Investment Performance	417
10.9.	OMERS Employer Bulletin - Response to CUPE Ontario Letter Regarding OMERS Investment Performance	435

11. Presentations

12. Delegations

Due to COVID-19 this meeting will be conducted virtually. Anyone wishing to speak to Council is asked to submit a written delegation that will be circulated to Council prior to the meeting. Written delegations will be accepted until noon the day of the meeting by emailing deputyclerk@portcolborne.ca or submitting a hard copy in the after-hours drop box in front of City Hall, 66 Charlotte Street, Port Colborne. Written delegations accepted after this time will be circulated with the minutes and included as public record.

13. Mayor's Report

14. Regional Councillor's Report

15. Staff Remarks

16. Councillors' Remarks

17. Consideration of Items Requiring Separate Discussion

18. Motions

19. Notice of Motions

20. Minutes of Boards & Committees

21. By-laws

21.1.	By-law to Adopt and Maintain a Policy Concerning the Procurement of Goods and Services for the City of Port Colborne and to Repeal By-law 6542/109/17	441
21.2.	By-law to Authorize Entering Into an Agreement of Purchase and Sale with 1456408 Ontario Inc. Respecting Pt. Lot 24, Con. 3, Part 1 59R-17094	525
21.3.	By-law to Authorize Entering into an Agreement with Economic Developers Council of Ontario for the My Main Street Local Business Accelerator Program	534
21.4.	By-law to Adopt, Ratify and Confirm the Proceedings of the Council of The Corporation of the City of Port Colborne	557

22. Confidential Items

Confidential reports will be distributed under separate cover. Items may require a closed meeting in accordance with the Municipal Act, 2001.

- | | |
|-------|---|
| 22.1. | Minutes of the closed session portion of the November 22, 2021 Council Meeting |
| 22.2. | Chief Administrative Office Report 2021-322, Proposed or Pending Acquisition or Disposition of Land |

23. Procedural Motions

24. Information items

25. Adjournment

City of Port Colborne

Council Meeting Minutes

Date: Monday, November 22, 2021
Time: 6:30 pm
Location: Council Chambers, 3rd Floor, City Hall
66 Charlotte Street, Port Colborne

Members Present: M. Bagu, Councillor
E. Beauregard, Councillor
R. Bodner, Councillor
G. Bruno, Councillor
F. Danch, Councillor
A. Desmarais, Councillor
W. Steele, Mayor (presiding officer)
H. Wells, Councillor

Member(s) Absent: D. Kalailieff, Councillor

Staff Present: A. LaPointe, Acting Director of Planning and Development/City Clerk
S. Luey, Chief Administrative Officer
C. Madden, Deputy Clerk (minutes)
B. Boles, Director of Corporate Services/Treasurer
C. Kalimootoo, Director of Public Works
S. Lawson, Fire Chief

1. Call to Order

Mayor Steele called the meeting to order.

2. National Anthem

3. Land Acknowledgment

4. Proclamations

4.1 Crime Stoppers Month - January 2022

Moved by Councillor A. Desmarais
Seconded by Councillor E. Beauregard

That the month of January 2022 be proclaimed as “Crime Stoppers Month” in the City of Port Colborne.

Carried

5. Adoption of Agenda

Moved by Councillor H. Wells
Seconded by Councillor R. Bodner

That the agenda dated November 22, 2021 be confirmed, as circulated.

Carried

6. Disclosures of Interest

6.1 Councillor E. Beauregard - Recommendation Report for Zoning By-law Amendment on Stanley Street (Lot 71), File D14-14-21, 2021-306

The Councillor has an indirect pecuniary interest as he is employed by Upper Canada Consultants which are the consultants who worked on this subdivision development.

6.2 Councillor E. Beauregard - By-law to Amend Zoning By-law 6575/30/18 Respecting a Vacant Lot on North Side of Stanley Street

The Councillor has an indirect pecuniary interest as he is employed by Upper Canada Consultants which are the consultants who worked on this subdivision development.

7. Approval of Minutes

Moved by Councillor F. Danch
Seconded by Councillor G. Bruno

1. That the minutes of the regular meeting of Council held on November 8, 2021, be approved as circulated.
2. That the minutes of the Public Meeting held on November 15, 2021, be approved as circulated.

Carried

7.1 Regular Meeting of Council - November 8, 2021

7.2 Public Meeting - November 15, 2021

8. Staff Reports

Moved by Councillor M. Bagu

Seconded by Councillor A. Desmarais

That items 8.2 and 8.3 be approved, and the recommendations contained therein be adopted.

Carried

8.2 Automatic Aid Agreement between Port Colborne and Wainfleet, 2021-286

That Community Safety & Enforcement report 2021-286 be received;

That the Fire Chief be directed to enter into a two-year Automatic Aid Agreement with the Township of Wainfleet to provide and receive services as laid out in this report;

That the Fire Chief be directed to bring forward a report to Council after the term of the agreement has passed with recommendations on ending, extending, or making permanent a similar agreement; and

That a By-law to enter into an Automatic Aid Agreement with the Township of Wainfleet be brought forward.

8.3 COVID Update – November 2021, 2021-295

That Chief Administrative Office Report 2021-295 be received.

8.1 Recommendation Report for Zoning By-law Amendment on Stanley Street (Lot 71), File D14-14-21, 2021-306

Councillor E. Beauregard declared a conflict on this item. (The Councillor has an indirect pecuniary interest as he is employed by Upper Canada Consultants which are the consultants who worked on this subdivision development.)

Moved by Councillor M. Bagu

Seconded by Councillor A. Desmarais

That Planning and Development Department Report 2021-306 be received;

That the Zoning By-law Amendment attached as Appendix A to Planning and Development Department Report 2021-306 be approved, rezoning the property from First Density Residential (R1) to Second Density Residential (R2); and

That Planning staff be directed to circulate to the Notice of Passing in accordance with the *Planning Act*.

Carried

9. Correspondence Items

Moved by Councillor M. Bagu

Seconded by Councillor A. Desmarais

That item 9.1 be received for information.

Carried

9.1 Corporation of the Town of LaSalle - COVID-19 Testing Requirement at Land Border

10. Presentations

11. Delegations

12. Mayor's Report

A copy of the Mayor's report is attached.

13. Regional Councillor's Report

Regional Councillor Butters provided an update to City Council.

14. Staff Remarks

15. Councillors' Remarks

15.1 Construction on West Street (Bagu)

Councillor Bagu informed Council that he had received concerns regarding whether the completion date of the construction on West Street would be delayed. He reported that he had spoken with the Director of

Public Works who confirmed the expected completion date is a little earlier than anticipated.

15.2 HOPA Council Report (Bagu)

In response to Councillor Bagu's inquiry regarding when a report regarding Hamilton-Oshawa Port Authority would be coming forward to Council, the Manager of Strategic Initiatives confirmed that it would not be coming forward in the near future.

15.3 Road Ends Public Meeting (Wells)

In response to Councillor Wells' inquiry regarding whether the date to hold the Sierra Planning Road Ends Public Meeting has been set, the Director of Public Works informed Council that he would follow up with the consultant in order to receive potential dates for the public meeting.

15.4 Remembrance Day Ceremony (Bodner)

Councillor Bodner explained that that there were approximately 40 people in attendance at the Remembrance Day Ceremony at Centennial Park.

15.5 Vale Health and Wellness Centre Vaccination QR Codes (Danch)

In response to Councillor Danch's inquiry regarding why the QR Code system is utilized to verify vaccination status at the Vale Health and Wellness Centre, the Chief Administrative Officer confirmed that it was an added security system put in place to avoid fraudulent vaccine certificates and ensure all those who enter the facility are fully vaccinated.

15.6 Notices for Residents on Erie Street (Bruno)

Councillor Bruno expressed gratitude toward the Director of Public Works for providing the Ward 3 Councillors with the notice ahead of time that was to be sent out to the residents on Erie Street.

16. Consideration of Items Requiring Separate Discussion

16.1 Proposed Adjustment to the Urban Storm Sewer Boundary, 2021-302

Moved by Councillor G. Bruno
Seconded by Councillor H. Wells

That Corporate Services Department Report 2021-302 be received;

That the Urban Storm Sewer boundary be adjusted as set out in Appendix A to Corporate Services Department Report 2021-302 and that this

adjustment be retroactive to the 2019 Urban Storm Sewer Boundary implementation year; and

That refunds be issued to the properties previously billed but now outside the adjusted Urban Storm Sewer Boundary.

Carried

16.2 Strategic Plan – Quarterly Report, 2021-293

Moved by Councillor M. Bagu

Seconded by Councillor A. Desmarais

That Chief Administrative Office Report 2021-293 be received for information.

Carried

16.3 Application for Tourism Relief Fund, 2021-298

Moved by Councillor G. Bruno

Seconded by Councillor R. Bodner

That Chief Administrative Office Report 2021-298 be received; and

That Council approve submitting an application to FedDev Ontario for the Tourism Relief Fund.

Carried

16.4 Project No. 2021-35 Infrastructure Needs Study, 2021-299

Moved by Councillor G. Bruno

Seconded by Councillor M. Bagu

That Council award the Consulting Services for the Infrastructure Needs Study (INS) and Integrated Asset Management Plan (AMP) to GM BluePlan Engineering Limited for the amount of \$493,682.00, plus applicable taxes;

That the Director of Public Works be given the authority to approve any additional costs for ground assessment investigations, and/or relevant additional works, up to the limit of the approved budget; and

That staff prepare the Contract By-law, and the City Clerk and Mayor be authorized to execute the Contract Agreement.

Carried

16.5 Joint Accessibility Advisory Committee Renewal, 2021-304

Moved by Councillor R. Bodner

Seconded by Councillor H. Wells

That Corporate Services Department Report 2021-304 be received;

That Council approve the Proposal to Coordinate AODA Compliance for 2022-2024, attached as Appendix A to Corporate Services Department Report 2021-304; and

That the Manager of Human Resources be directed to renew the City's membership in the Joint Accessibility Advisory Committee as needed until otherwise directed by Council.

Carried

16.6 2022 Council Meeting Schedule, 2021-301

Moved by Councillor G. Bruno

Seconded by Councillor M. Bagu

That Corporate Services Department Report 2021-301 be received; and

That the 2022 Council meeting schedule set out in Appendix A of Corporate Services Report 2021-301 be approved.

Carried

16.7 Joint Accessibility Advisory Committee - Request to place JAAC Member on Niagara Region's Transit Committee

Moved by Councillor R. Bodner

Seconded by Councillor E. Beauregard

That correspondence received from the Joint Accessibility Advisory Committee regarding their request to place a JAAC Member on the Niagara Region's Transit Committee, be received for information.

Carried

17. Motions

18. Notice of Motions

19. Minutes of Boards & Committees

Moved by Councillor M. Bagu

Seconded by Councillor A. Desmarais

That item 19.1 be approved, as presented.

Carried

19.1 Port Colborne Library Board Minutes - October 5, 2021

20. By-laws

Moved by Councillor H. Wells

Seconded by Councillor R. Bodner

That items 20.2 and 20.3 be enacted and passed.

Carried

20.2 By-law to Authorize Entering into a Contract Agreement with GM BluePlan Engineering Limited regarding Project 2021-35, Proposal for Consulting Services for an Infrastructure Needs Study and Integrated Asset Management Plan

20.3 By-law to Adopt, Ratify and Confirm the Proceedings of the Council of The Corporation of the City of Port Colborne

20.1 By-law to Amend Zoning By-law 6575/30/18 Respecting a Vacant Lot on North Side of Stanley Street

Councillor E. Beauregard declared a conflict on this item. (The Councillor has an indirect pecuniary interest as he is employed by Upper Canada Consultants which are the consultants who worked on this subdivision development.)

Moved by Councillor F. Danch

Seconded by Councillor G. Bruno

That item 20.1 be enacted and passed.

Carried

21. Confidential Items

Moved by Councillor R. Bodner
Seconded by Councillor F. Danch

That Council do now proceed into closed session in order to address items 21.1 to 21.4.

Carried

21.1 Minutes of the closed session portion of the September 27, 2021 Council Meeting

21.2 Chief Administrative Office Report 2021-296, Nyon Energy Lands and the Nyon Tank Farm Property

21.3 Chief Administrative Office Report 2021-305, Proposed or Pending Acquisition or Disposition of Land, Litigation or Potential Litigation, and Solicitor-Client Privilege

21.4 Chief Administrative Office Report 2021-300, Proposed or Pending Acquisition or Disposition of Land

22. Procedural Motions

23. Information items

24. Adjournment

Council moved into Closed Session at approximately 8:00 p.m.

Council reconvened into Open Session at approximately 9:57 p.m.

Mayor Steele adjourned the meeting at approximately 9 :58 p.m.

William C. Steele, Mayor

Amber LaPointe, City Clerk

City of Port Colborne
Committee of the Whole - Budget Meeting Minutes

Date: Monday, December 6, 2021
Time: 6:30 pm
Location: Council Chambers, 3rd Floor, City Hall
66 Charlotte Street, Port Colborne

Members Present: M. Bagu, Councillor
E. Beauregard, Councillor
R. Bodner, Councillor
G. Bruno, Councillor
A. Desmarais, Councillor
D. Kalailieff, Councillor
W. Steele, Mayor (presiding officer)
H. Wells, Councillor

Members(s) Absent: F. Danch, Councillor

Staff Present: A. LaPointe, Manager of Legislative Services/City Clerk
S. Luey, Chief Administrative Officer
C. Madden, Deputy Clerk (minutes)
B. Boles, Director of Corporate Services/Treasurer
C. Kalimootoo, Director of Public Works
D. Suddard, Manager of Water/Wastewater

1. Call to Order

2. Adoption of Agenda

Moved By Councillor M. Bagu

Seconded By Councillor E. Beauregard

That the agenda dated December 6, 2021 be confirmed, as circulated.

Carried

3. Disclosures of Interest

4. Staff Reports

4.1 2022 Rates Budget, 2021-311

Moved By Councillor A. Desmarais

Seconded By Councillor H. Wells

That Corporate Services Department Report 2021-311, **BE RECEIVED**;
and

That the 2022 Rates Budget as outlined in Appendix B to Corporate
Services Department Report 2021-311, **BE APPROVED**.

Carried

4.2 2022 Rates Setting, 2021-312

Moved By Councillor G. Bruno

Seconded By Councillor R. Bodner

That Corporate Services Department Report 2021-312, **BE RECEIVED**;

That Council approve a 0% increase to the 2022 Water and Wastewater
Rates; and

That the 2022 Storm Sewer Rates as outlined on page 5 of Corporate
Services Department Report 2021-312, **BE APPROVED**.

Amendment:

Moved By Councillor G. Bruno

Seconded By Councillor R. Bodner

That Corporate Services Department Report 2021-312, **BE RECEIVED**;

That Council approve a 0% increase to the 2022 Water and Wastewater
Rates;

That the 2022 Storm Sewer Rates as outlined on page 5 of Corporate
Services Department Report 2021-312, **BE APPROVED**; and

That the Director of Public Works and Director of Corporate
Services/Treasurer be directed to prepare an aggressive Storm Water
Work Plan and Financial Plan and bring a report forward to Council that
includes these Plans in February, 2022.

Carried

5. **Correspondence Items**
6. **Presentations**
7. **Delegations**
8. **Procedural Motions**
9. **Information Items**
10. **Adjournment**

Mayor Steele adjourned the meeting at approximately 8:18 p.m.

William C. Steele, Mayor

Amber LaPointe, City Clerk



Subject: 2022 Rates Budget

To: Committee of the Whole - Budget

From: Corporate Services Department

Report Number: 2021-311

Meeting Date: December 6, 2021

Recommendation:

That Corporate Services Department Report 2021-311, **BE RECEIVED**; and

That the 2022 Rates Budget as outlined in Appendix B to Corporate Services Department Report 2021-311, **BE APPROVED**.

Purpose:

The purpose of this report is to present the proposed 2022 Rates Budget to the Budget Committee of the Whole.

A separate report has been prepared and presented to the Committee of the Whole – Budget entitled, 2022 Rates Setting Report 2021-312, to establish water, wastewater and storm sewer rates to be charged.

Background:

The 2022 Rates Budget is presented in accordance with a slightly modified timeline approved by Council through Report 2021-174.

Financial Services would like to thank Public Works staff for their leadership and support in developing the 2022 Rates Budget.

Should the 2022 Rates Budget report be approved by the Committee of the Whole – Budget on December 6, 2022, it will move forward to be ratified at the December 13, 2021, Council meeting.

Similar to the 2022 Capital and Related Projects Budget and the 2022 Levy Budget, the 2022 Rates Budget was developed through a process that requested Council and staff input. Staff have based their recommendations after considering:

- The City's established Vision/Mission/Values
- The Strategic Pillars identified in the City's Strategic Plan
- A need to connect the community
- A desire to come out of the COVID-19 pandemic stronger
- Planning and building for growth
- Organizational capacity
- Organizational financial flexibility

The budget document should be read in conjunction with:

- The 2022 Capital and Related Project Budget (Report 2021-240) approved by the Committee of the Whole – Budget on September 16, 2021 and ratified by Council on September 27, 2021.
- The 2022 Proposed User Fees and Charges (Report 2021-277) presented to the Committee of the Whole – Budget on October 28, 2021 and ratified by Council on November 8, 2021

Financial Services acknowledges that the format of the 2022 Rates Budget continues to evolve from the 2021 Rates Budget. Financial Services would like to thank Council for their support and encouragement with respect to the account structure changes that have been made to date. Staff's hope is Council will find the new format as a continued movement towards increasing accountability and transparency.

Discussion:

Financial Services highlights the budget is a plan to allocate resources in advance for the maximum benefit of City residents and stakeholders. It is a method to authorize revenue and expense authority. In preparing the 2022 Rates Budget, certain assumptions and estimates are necessary. They are based on information available to staff at the time of preparing the budget. Actual results will vary although, as regulated through the *Municipal Act*, a balanced budget is required.

Rate Budget Impact

Water and Wastewater

If the proposed 2022 Rates Budget and 2022 Rates Setting reports are approved as presented, the water and wastewater impact to a single-family property will be:

	\$	%
Water	Zero	Zero
Wastewater	Zero	Zero
Blended/Combined	Zero	Zero

In order to achieve a zero increase in the water budget Staff highlight:

- The water system work that is on-going by staff continues to improve the water billed vs. purchased ratio. At the time of writing this report, the current ratio is anticipated to improve to 68.4% vs. 64.0% in 2020. This is up from 52.7% in 2017.
- The reserve transfer in water has been reduced to \$400,195 from \$703,685 forecasted during the 2022 Capital and Related Capital Budget. Reserve transfers will be re-evaluated after the completion of the updated City's asset management plan which is anticipated by June 2022 to meet Provincial planning and reporting obligations.

The zero impact to wastewater is possible because the 2021 increase took effect April 1, 2021. With no change in rate, the 2022 budget is impacted by the rate differential of the current rate and the rate previously in place during January to March 2021.

Storm Sewer

If the proposed 2022 Rates Budget is approved as presented, the storm sewer impact to a single-family property is \$11.55 which represents a 10% increase over the prior year.

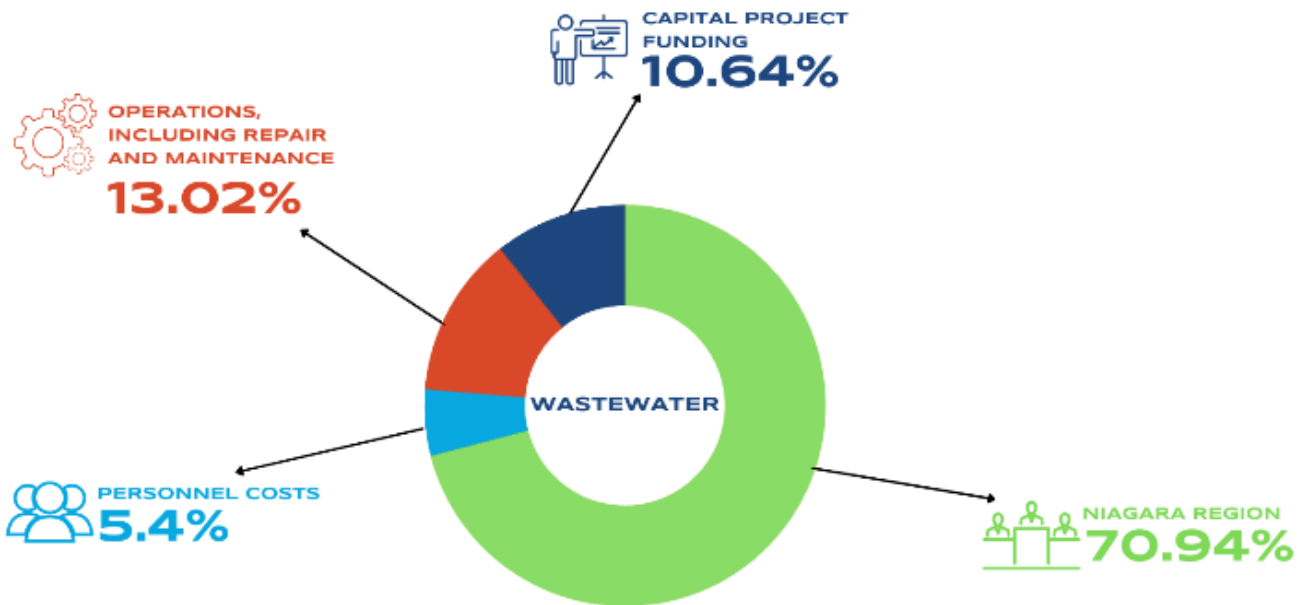
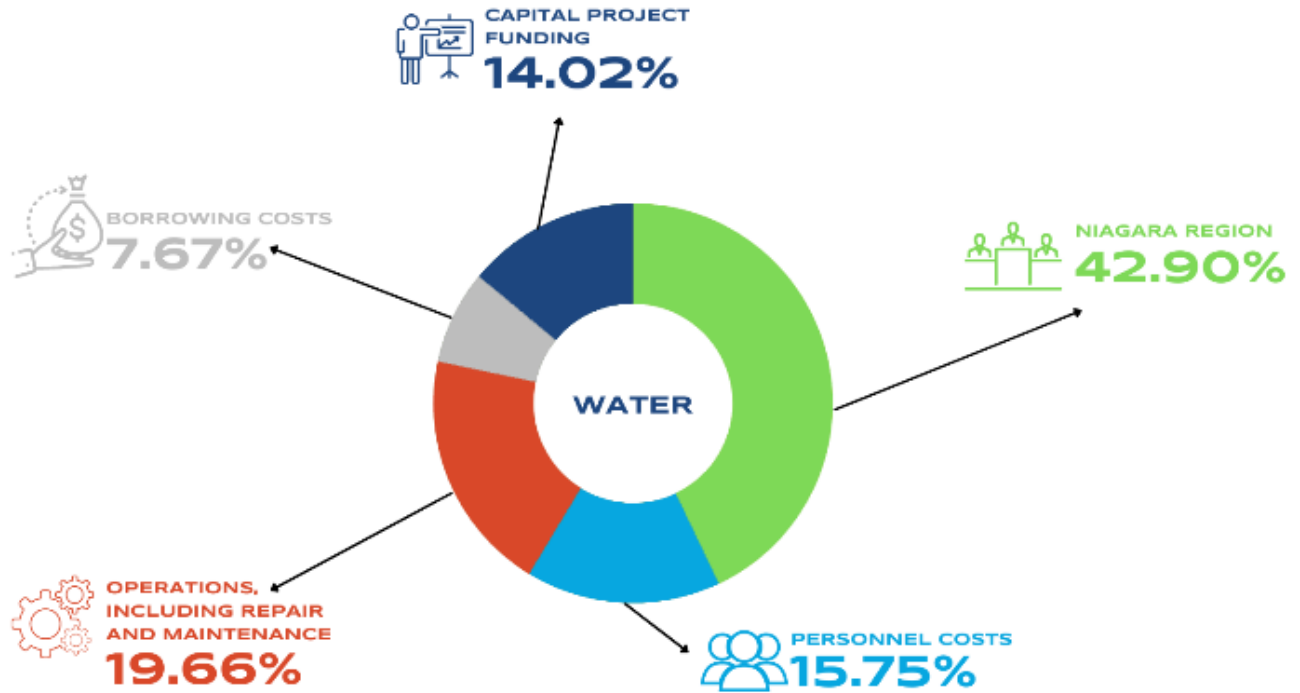
Budget Summary

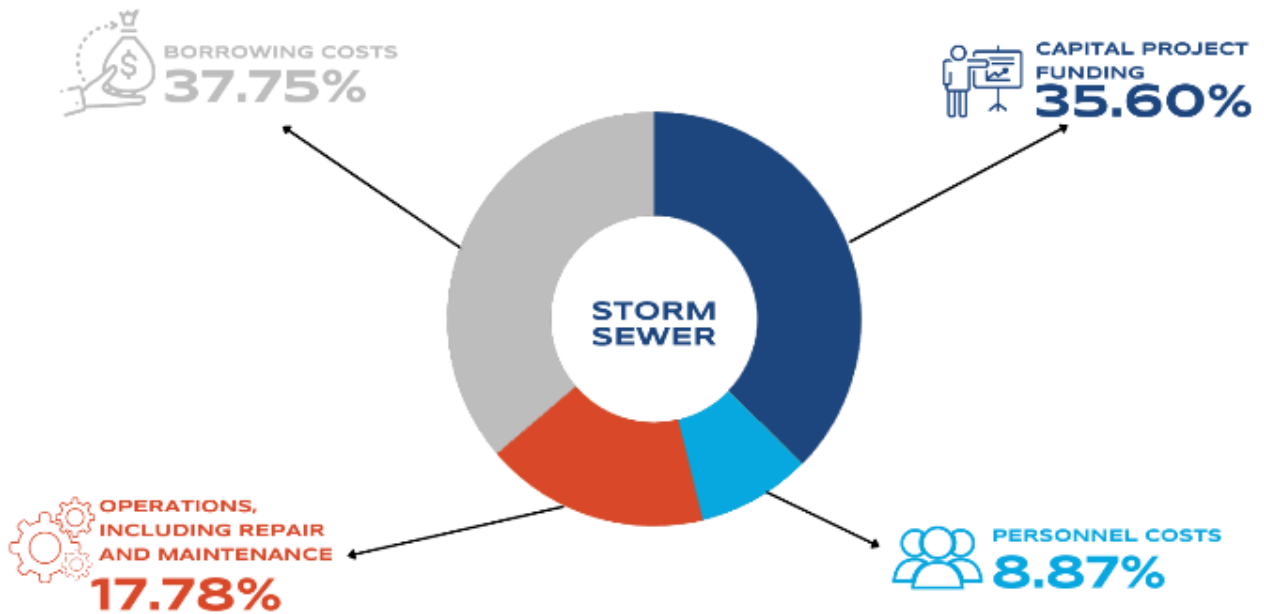
This budget was developed recognizing City services continue to remain operational and active during the COVID-19 pandemic, Financial Services and Public Works have developed budgets that maintain current services levels while continuing to strengthen the City.

The number of initiatives and actions that are funded within this budget are significant.

The 2022 Rates Budget as outlined in Appendix A – 2022 Rates Budget Presentation and Appendix B – Rates Budget Appendices totals \$13,120,100.

In percentage terms the water, wastewater and storm sewer budgets can be broken down as follows:





In dollar terms the water, wastewater and storm sewer budgets can be broken down as follows:

	Rates			
	Storm Sewer	Wastewater	Water	Total
Total Revenue	1,407,000	6,937,067	4,757,000	13,101,067
Personnel Expenses	124,800	374,600	749,300	1,248,700
Operating Expenses	182,100	5,364,379	2,516,176	8,062,655
Total Expense	306,900	5,738,979	3,265,476	9,311,355
Surplus/(Deficit) Before Transfers	1,100,100	1,198,088	1,491,524	3,789,712
Transfers to (from) Reserves	390,944	413,191	400,195	1,204,330
Transfers to (from) Capital	110,000	324,897	266,700	701,597
Transfers to (from) Borrowing Costs	531,156	-	364,629	895,785
Transfers to (from) Levy as Cost Reimbursement	68,000	460,000	460,000	988,000
Total Transfers	1,100,100	1,198,088	1,491,524	3,789,712
Surplus/(Deficit)	-	-	-	-

Water and wastewater usage and billing metrics can be found in Appendix C.

Some of the salient highlights and changes in the 2022 Rates Budget are as follows:

Water and Wastewater

- The Niagara Region increased the variable water purchase rate by 4%. The fixed charged rates decreased for water by \$31,543 or 5.34% and increased for wastewater by \$115,879 or 2.4% as a result of flows to the Niagara Region's wastewater system.
- One additional full-time equivalent Water/Wastewater Operator and one seasonal Water/Wastewater Operator is proposed in this budget. This increase will support the projects approved through the 2022 Capital and Related Project Budget and repair and maintenance work in year. Total cost is approximately \$120,000. The adjusted Headcount of the Rates (water, wastewater and storm sewer) grouping would increase to 15 and the FTE figure to 13.12. The FTE figure helps identify not all individuals are full-time.
- Update and move the current water meter reading software to the Cloud as the current software is no longer supported. The cost is estimated at \$5,300 annually.
- The introduction of water (\$25,000) and wastewater (\$25,000) replacement grants.
- Maintaining the pre-authorized payment incentive of \$25 for new registrations to the program and introduce a new incentive to move to online billing. This new incentive is also proposed at \$25. The water and wastewater budgets each include \$20,000 to support these incentives.
- Maintain the Guaranteed Income Supplement (GIS) grant implemented in 2021 for wastewater charges.

Storm Sewer

- As a result of proposed changes in the 2022 Rates Setting Report the reserve transfer in storm sewer has been increased to \$409,944 from \$51,121 forecasted during the 2022 Capital and Related Capital Budget.

Other salient changes include:

- The allocation of the rates personnel budget has changed year over year. In 2021 it was split 50/50 between water and wastewater. In 2022 it is allocated 60% water, 30% wastewater and 10% storm sewer based on anticipated scheduling. The change better reflects actual experience and changing

compliance standards.

- The administrative levy/rate cost recovery for administrative (including staff time), related facility, insurance, and fleet costs from the rate budgets (Water, Wastewater and Storm Sewer) was reviewed by staff during 2021. This review was noted during the 2021 Budget process and the 2022 Levy Budget process. The 2022 budget, similar to the Trimester 2 Report 2021-263, reflects a change in the transfer from \$607,100 to \$988,000. As a percentage of the rate program this reflects approximately an 8% overhead charge. The \$988,000 is split between Water and Wastewater at \$460,000 each and \$68,000 to Storm Sewer.

Looking Forward

Summary of Some Significant Capital Projects Approved in 2021 for 2022/2023

- Water: Erie Street watermain replacement. Project cost \$1,880,000.
- Water: Watermain replacement and looping project associated with Davis St., West St, Homewood Ave, Berkley Ave. Project cost \$5,000,000 (grant dependent).
- Wastewater: Clarke Area Sanitary Sewer Remediation associated with the east side sanitary network, north of Killaly St. E. Project cost \$1,000,000 (grant dependent).
- Wastewater: Clarke Area Sanitary Sewer Remediation. Project cost \$500,000 (grant dependent).
- Storm Sewer: Surcharge and flooding along King Street. Project cost \$300,000.
- Storm Sewer: Johnston Street Pumping Station upgrades. Project cost \$35,000.
- Storm Sewer: Johnston Street Stormwater pond cleaning and maintenance. Project cost \$75,000.

Updated Reserve Forecasted Balances

- Water forecasted at \$516,300 end of 2022.
- Wastewater forecasted at \$760,700 end of 2022
- Storm Sewer forecasted at \$482,700 end of 2022

These reserves support the rate budgets should there be a budget shortfall and fund future capital requirements.

Planning, Budget and Related Process

As identified on many occasions, “everyday is budget day” in a municipality. Financial Services anticipates this new budget layout may provide the opportunity for new questions and direction from Council. Corporate Services continues to identify continuous improvement is a process. Looking forward to 2022, staff identify the following activities, in addition to those identified during the 2022 Levy Budget process,

that will help determine the financial outcomes of the City going into the 2023 budget process:

- Complete and update the City's asset management plan by June 2022 to meet Provincial planning and reporting obligations, including an infrastructure needs assessment of all linear assets.
 - Based on the completion of the Infrastructure Needs Study, develop a five (5) year linear capital projects plan that incorporates all linear assets such as water, wastewater and storm sewer for recommended reconstruction and upgrades.
 - Move bulk water revenue and related costs to a separate cost centre to track more as a self-sustaining entity going forward.
-

Internal Consultations:

As stated, Financial Services would like to thank Public Works for their leadership and support in developing this 2022 Rates Budget.

Financial Implications:

Financial Services identifies the proposed 2022 Rates Budget is a staff recommendation that Council can adjust, if required.

Public Engagement:

The timeline for the 2022 Rates Budget was approved at the June 28, 2021 Council meeting. The 2022 Rates Budget was published on the City's website on November 26, 2021 through the agenda process. The 2022 Rates Budget will be considered by the Committee of the Whole – Budget on December 6, 2021. If approved by the Committee of the Whole – Budget, the 2022 Rates Budget will be considered by Council on December 13, 2021.

Following the budget process, staff will continue to review service levels and operations. Should changes be requested or sought, staff will seek input and where necessary approval from Council.

Strategic Plan Alignment:

The initiatives contained within this report supports the following pillar(s) of the strategic plan:

- Service and Simplicity - Quality and Innovative Delivery of Customer Services
 - Attracting Business Investment and Tourists to Port Colborne
 - City-Wide Investments in Infrastructure and Recreational/Cultural Spaces
 - Value: Financial Management to Achieve Financial Sustainability
 - People: Supporting and Investing in Human Capital
 - Governance: Communications, Engagement, and Decision-Making
-

Conclusion:

Staff recommend Council approve the 2022 Rates Budget as outlined in Appendix B.

Appendices:

- a. Appendix A – 2022 Rates Budget Presentation
- b. Appendix B – Divisional Summary & Detail
- c. Appendix C – Divisional Multi-Year Budgets
- d. Appendix D – Divisional Usage & Billing Metrics

Respectfully submitted,

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Report Approval:

All reports reviewed and approved by the Department Director and also the City Treasurer when relevant. Final review and approval by the Chief Administrative Officer.

2022 Rate Budget

December 6, 2021



Agenda

- ☐ Recommendation
- ☐ Rates Impacts
- ☐ Highlights
- ☐ Inflation and City Growth
- ☐ Process
- ☐ Comparisons
- ☐ Debt/Reserves Outlook
- ☐ In-Year Operating Activity
- ☐ Metrics
- ☐ Rate Budgets
- ☐ Looking Forward
- ☐ Thank You
- ☐ Recommendation

In preparing the 2022 Rates Budget and Rate Setting, certain assumptions and estimates are necessary. They are based on information available to staff at the time. Actual results will vary although, as regulated through the Municipal Act, a balanced budget is required.



Recommendation

2022 Rates Budget

That Corporate Services Department Report 2021-311, BE RECEIVED; and

That the 2022 Rates Budget as outlined in Appendix B to Corporate Services Department Report 2021-311, BE APPROVED.



Rate Impacts

Water

No change in water rates

Wastewater

No change in wastewater rates

Storm Sewer

Single Family Property change equals \$11.50 or 10% per year.

Highlights

Connecting the City

- Introducing new water (\$25,000) and wastewater (\$25,000) replacement grants
- Maintain the pre-authorized payment incentive of \$25 and introduce a new \$25 incentive to move to online billing.
- Maintain the Guaranteed Income Supplement (GIS) grant implemented in 2021 for wastewater charges.
- \$7.2 million in Water, Wastewater and Storm Water projects
- Erie St. water project approved recently by Council through Report 2021-205 for \$1.88 million.
- No new debt is proposed...water debt paid down by \$290,000 and Storm Sewer debt paid down by \$240,000



Inflation Environment



Consumer Price Index

~~3.7%~~ 4.7%

Past Year*



Potential Growth Outlook

Preliminary, pre-consultation or draft plan approvals

3,207 units



8,017 new residents

Assuming 2.5 persons per household



Other development opportunities total 1,585 units representing potentially 3,962 new residents

Process

Developed through a process that obtained both Council and Staff input.

	Capital	Levy	Rate
Final to Financial Services	August 12th	September 23rd	October 28th
Final Senior Leadership Review	August 26th	October 7th	November 10th
Draft Package Available	September 2nd	October 14th	November 18th
Budget Committee Package	September 9th	October 21st	November 25th 26th
Committee of the Whole Budget Meeting	September 16th	October 28th	December 2nd 6th
Council Approval	September 27th	November 8th	December 13th

Vision/Mission/Values



Vision Statement:

A vision statement expresses an organization's desires for the future. This is our vision statement:

A vibrant waterfront community embracing growth for future generations

Mission Statement:

A mission statement expresses the immediate goals of an organization, clearly and concisely. This is our mission statement:

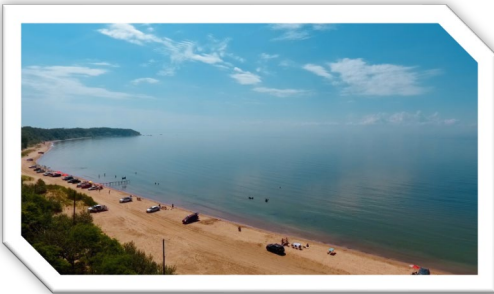
To provide an exceptional small-town experience in a big way

Corporate Values:

Corporate Values are guiding principles and beliefs supported by everyone in an organization so that they can work toward common goals in a cohesive and positive way. These are our corporate values:

Integrity – we interact with others ethically and honourably **Respect** – we treat each other with empathy and understanding **Inclusion** – we welcome everyone **Responsibility** – we make tomorrow better **Collaboration** – we are better together

Strategic Pillars



Community Pillars

These pillars are areas that directly benefit our residents, businesses, and visitors.

1. Service and Simplicity - Quality and Innovative Delivery of Customer Services
2. Attracting Business Investment and Tourists to Port Colborne
3. City-Wide Investment in Infrastructure and Recreational/Cultural Spaces

Corporate Pillars

These pillars are the day-to-day practices, processes, and governance that Council and staff are focused on to ensure maximum value and benefit for our residents.

1. Value: Financial Management to Achieve Financial Sustainability
2. People: Supporting and Investing in Human Capital
3. Governance: Communications, Engagement, and Decision-Making



Process

Staff based their recommendations after considering:

- ✓ Vision/Mission/Values/Strategic Pillars
- ✓ Organization capacity to complete the Capital and Related Projects Budget
- ✓ A need to connect the community
- ✓ Organizational financial flexibility
- ✓ A desire to come out of the COVID-19 pandemic stronger
- ✓ Planning and building for growth

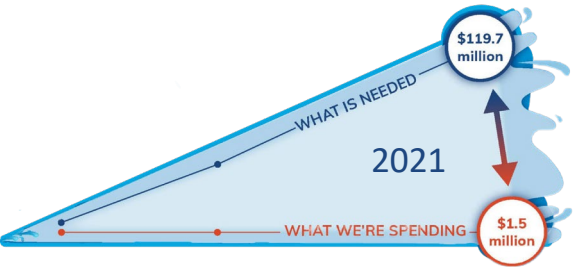


Comparison: Water and Wastewater Rate



	Avg. Usage	Water	Wastewater	Total	
LAMs	150 m3	\$469	\$589	\$1,040	\$538
City of Port Colborne	150 m3	\$576	\$1,002	\$1,578	
Next Closest LAM	150 m3	\$523	\$804	\$1,328	\$250

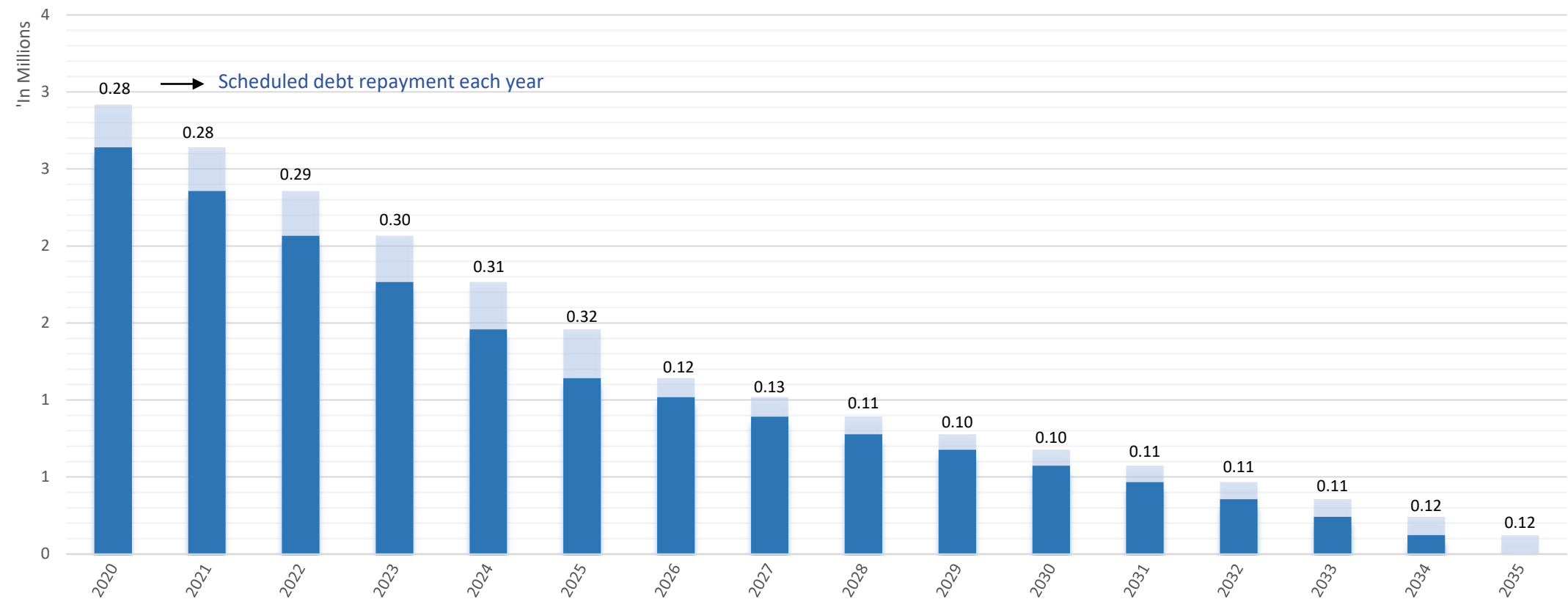
The above figures are based on 150 m3 and will change as water usage changes



70.9% of this cost is Niagara Region charges to clean the wastewater. The volume being cleaned is at a ratio of 2.69 m3 per 1 m3 of water billed. Illustrating the majority of wastewater is from inflow and infiltration.



Debt Outlook - Water

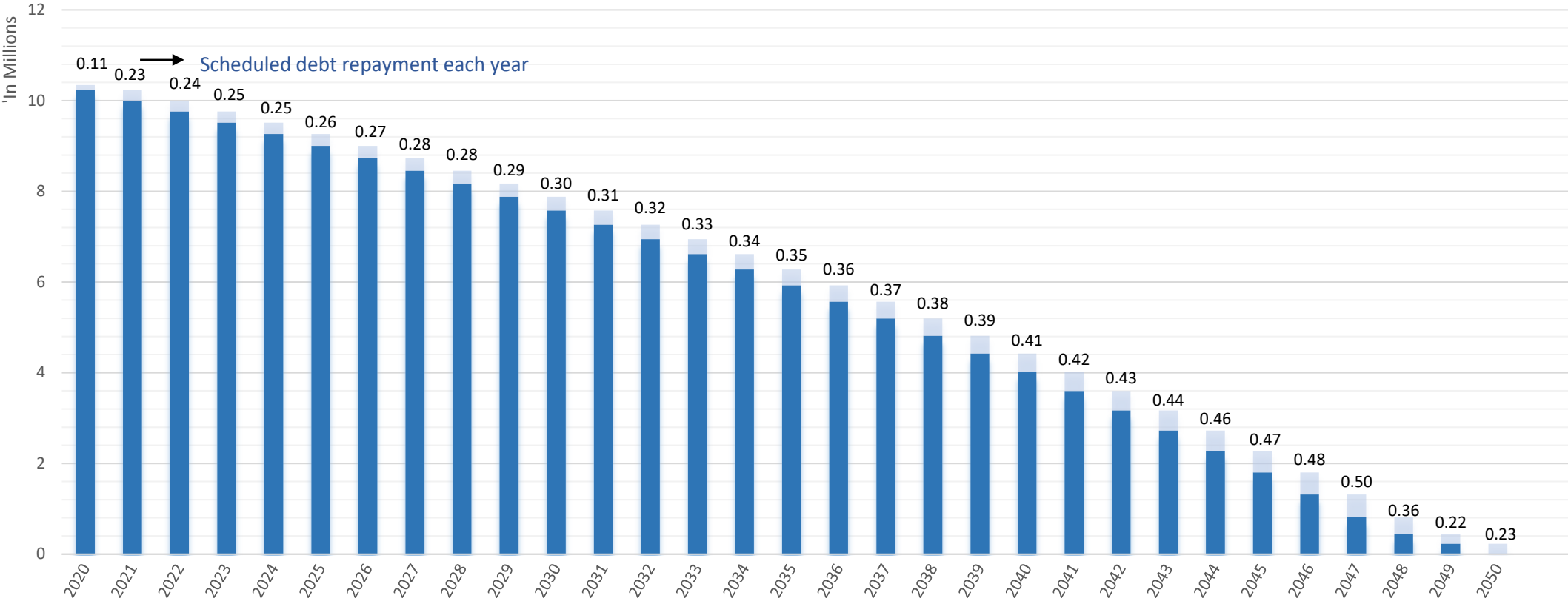


* Excludes Niagara Falls and Wainfleet as their 2019 FIRs are not yet available.





Debt Outlook – Storm Sewer



Reserve Outlook



Should this budget be approved and budget = actual in 2022 and the 2021 forecast = forecast at year end. The rate reserves would be as follows come the end of 2022:

- Water forecasted at \$516,300
- Wastewater forecasted at \$760,700
- Storm Sewer forecasted at \$482,700

Reserves are used in case of an emergency, to cover a budget shortfall in-year and to support future capital works.



In-Year Operating Activity

2021 to Date

Water

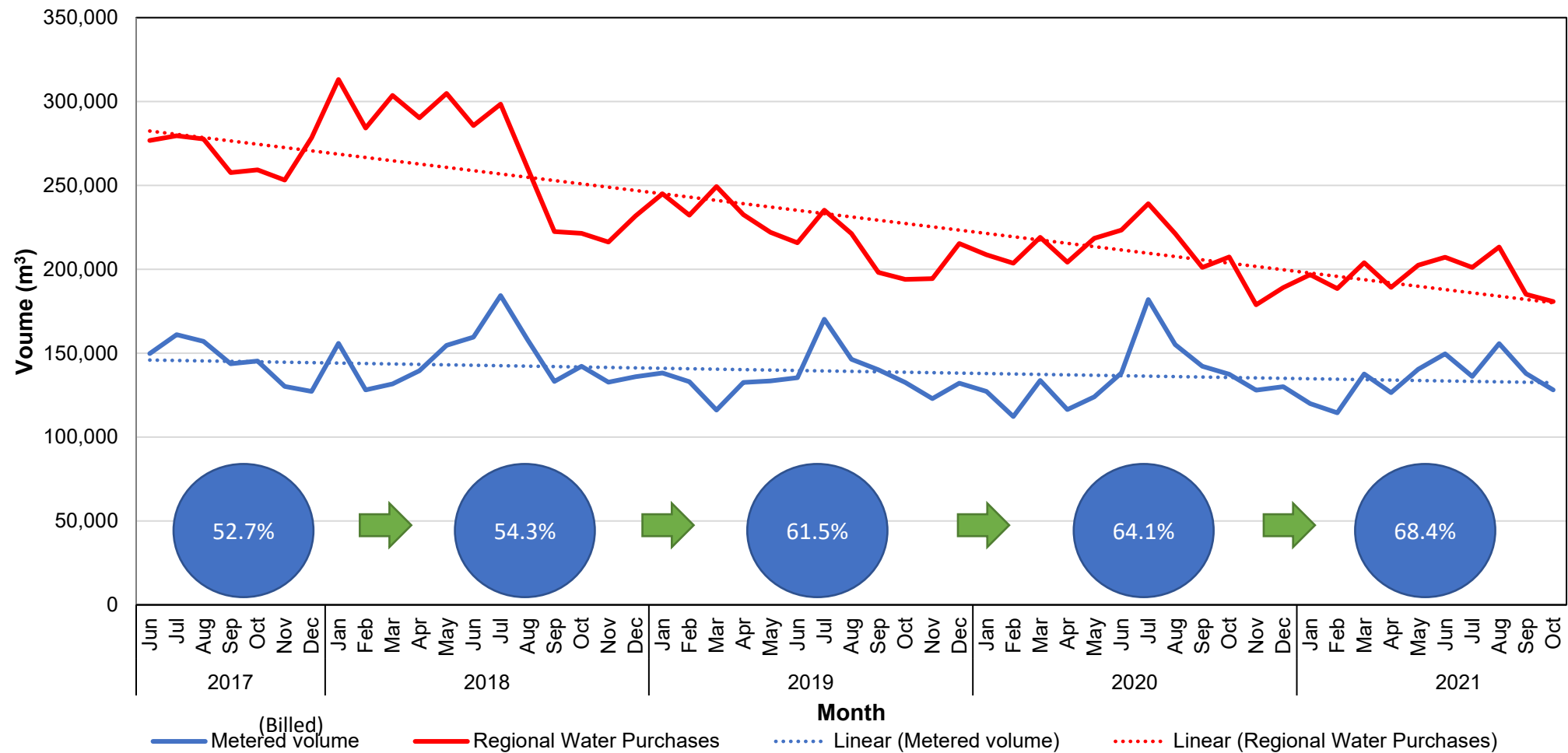
- 9 watermain breaks
- 19 complaints
- 716 chlorine samples
- 50 turbidity samples
- 368 microbiological samples
- 640 hydrants inspected twice
- 274 valves turned
- 21 water services installed
- 41 curb boxes repaired
- 12-15 dead ends flushed weekly
- Bi-weekly flushing of new subdivision

Wastewater/Storm

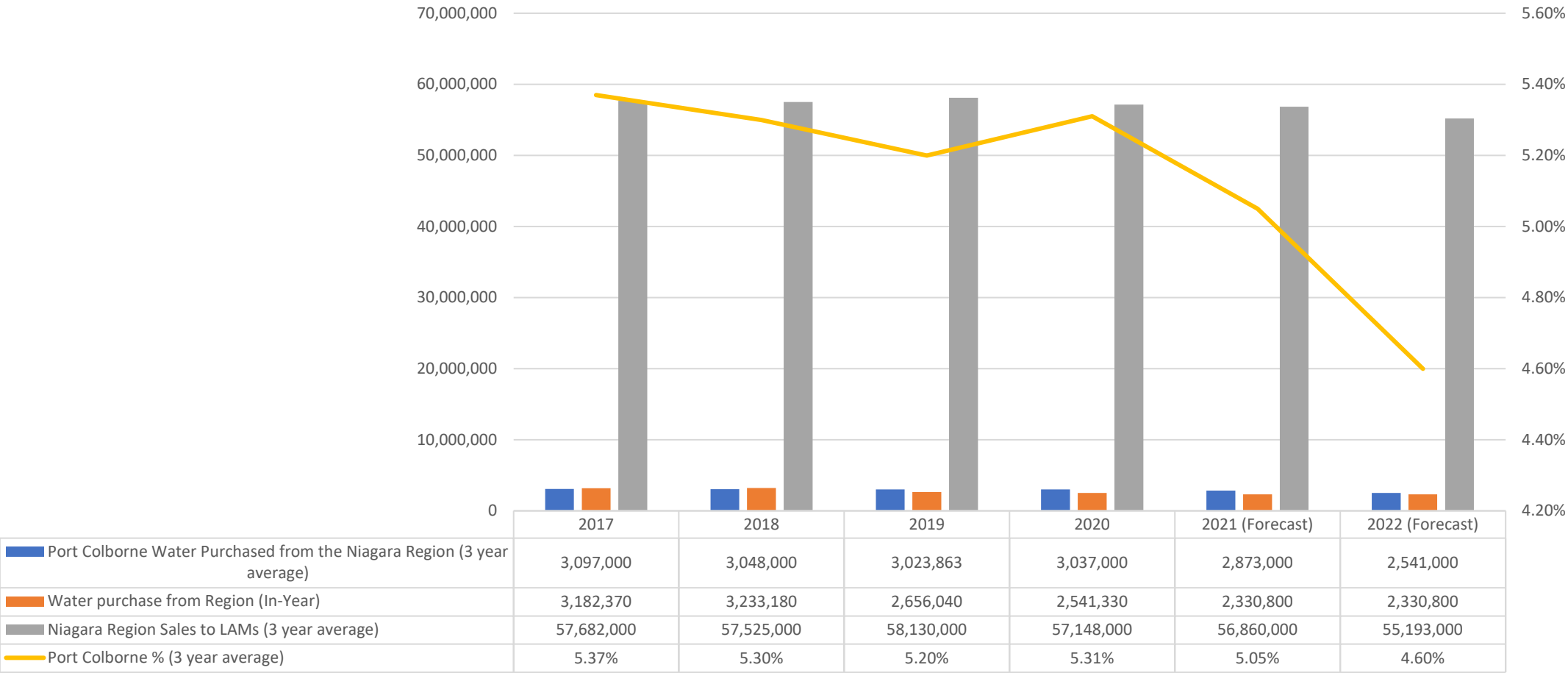
- 543 maintenance holes inspected
- 50 sewer back ups
- 12 sanitary laterals installed
- 25 clean out repairs
- 10 storm system repairs
- 1 catchbasin replacement
- Pump deployment at Neff outfall and Bartok
- 3.2km CCTV inspection of sanitary pipes and storm pipes



Water Purchased vs. Water Billed

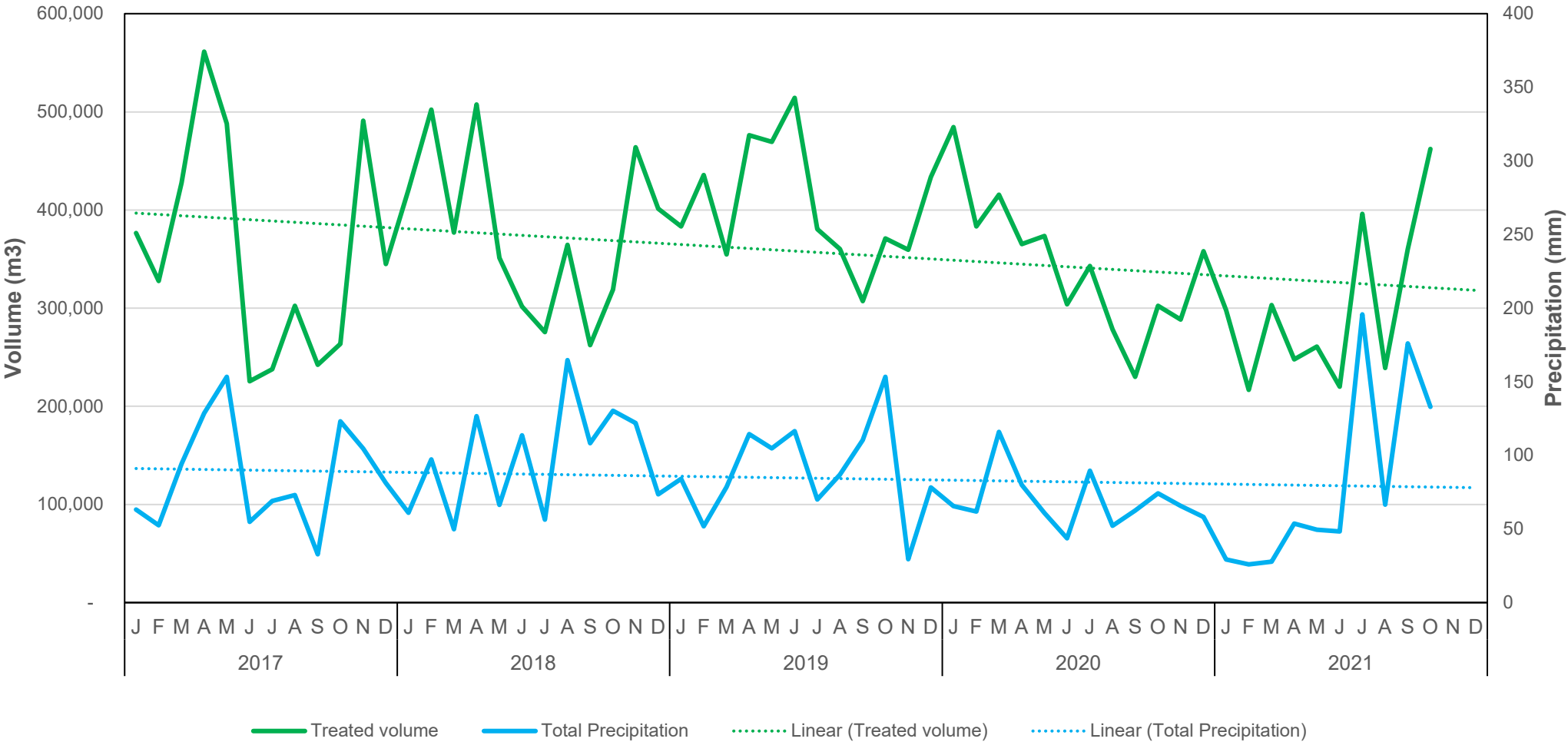


Water Volumes (m³)



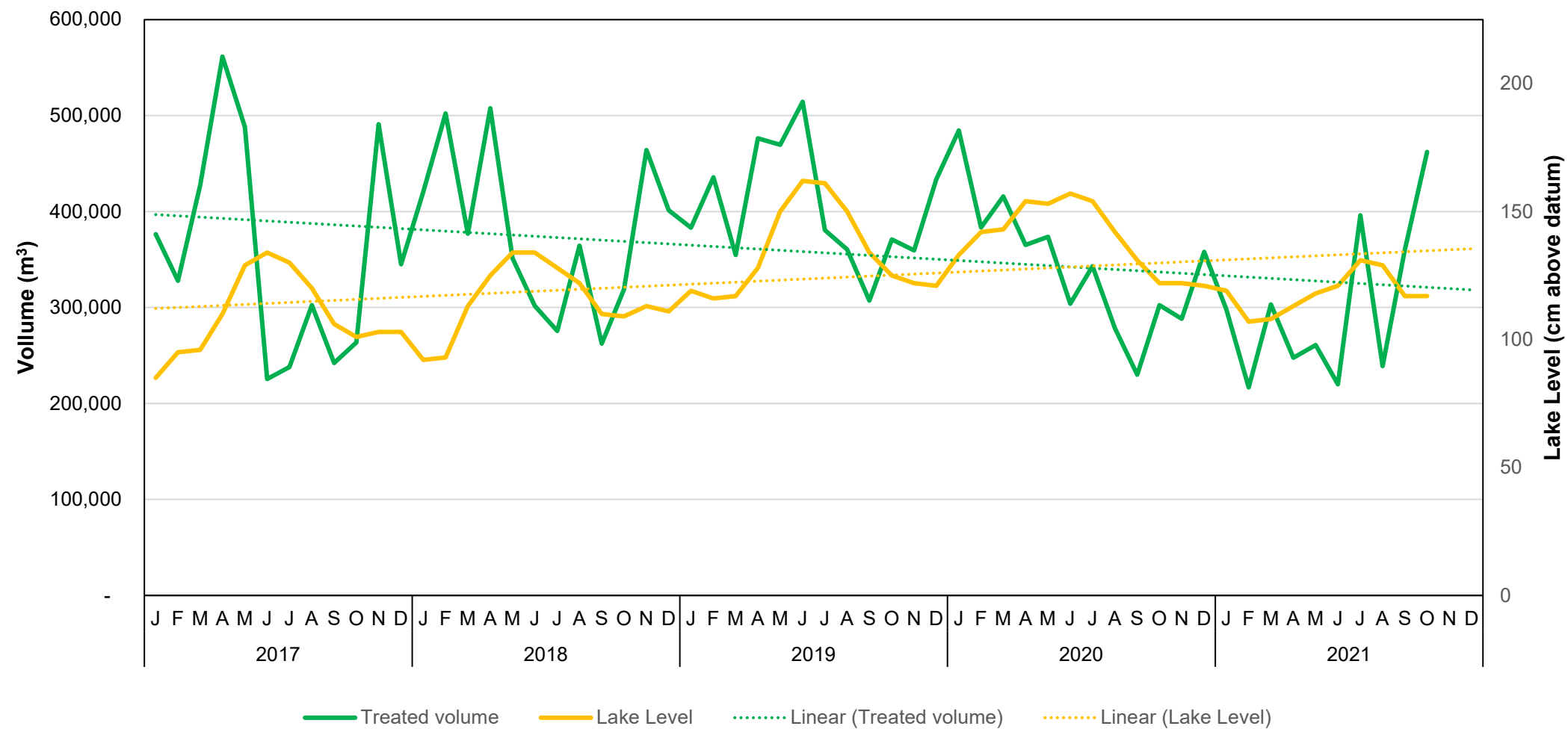


Wastewater Treated Volumes vs Precipitation

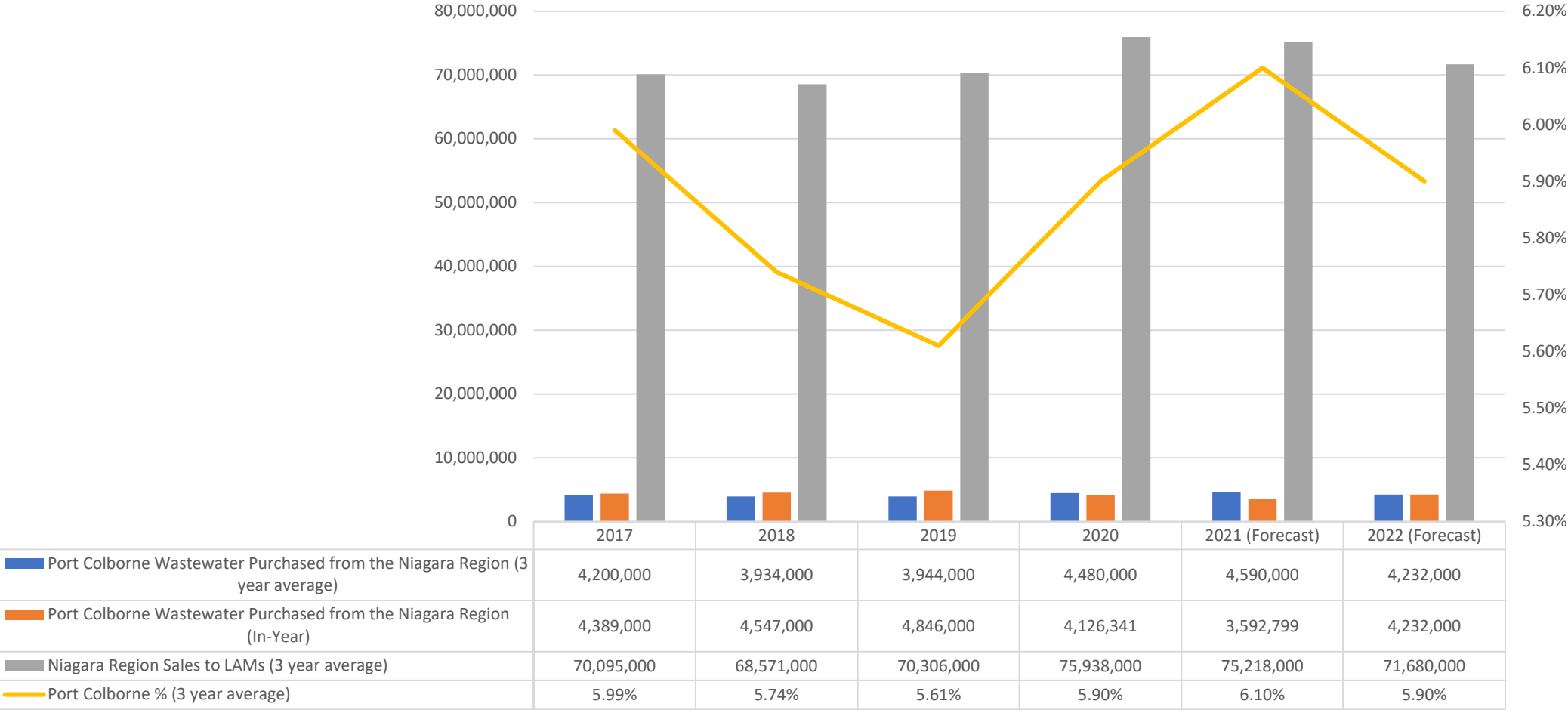




Wastewater Treated Volumes vs Lake Level



Wastewater Volumes (m³)



Rate Budgets



Administrative changes

- This budget changes the allocation of personnel charges from a 50/50 split between water and wastewater to 60% water/30% wastewater/10% storm sewer to reflect new regulatory changes.
- This budget corrects the allocation/chargebacks between levy and rate as discussed in the Trimester 2 report and during the 2022 Levy Budget presentation. This is the main cause for the change in the rate budgets operation lines identified in the following slides.
- Maintaining the pre-authorized payment incentive of \$25 for new registrations to the program and introduce a new incentive to move to online billing. This new incentive is also proposed at \$25. The water and wastewater budgets each include \$20,000 to support these incentives.

Program changes

- One additional full-time equivalent (FTE) Water/Wastewater Operator and one seasonal Water/Wastewater Operator is proposed in this budget. This increase will support the projects approved through the 2022 Capital and Related Project Budget and repair and maintenance work in year. Total cost is approximately \$120,000. The adjusted Headcount of the Rates (water, wastewater and storm sewer) grouping would increase to 15 and the FTE figure to 13.12. The FTE figure helps identify not all individuals are full-time.
- Update and move the current water meter reading software to the Cloud as the current software is no longer supported. The cost is estimated at \$5,300 annually.

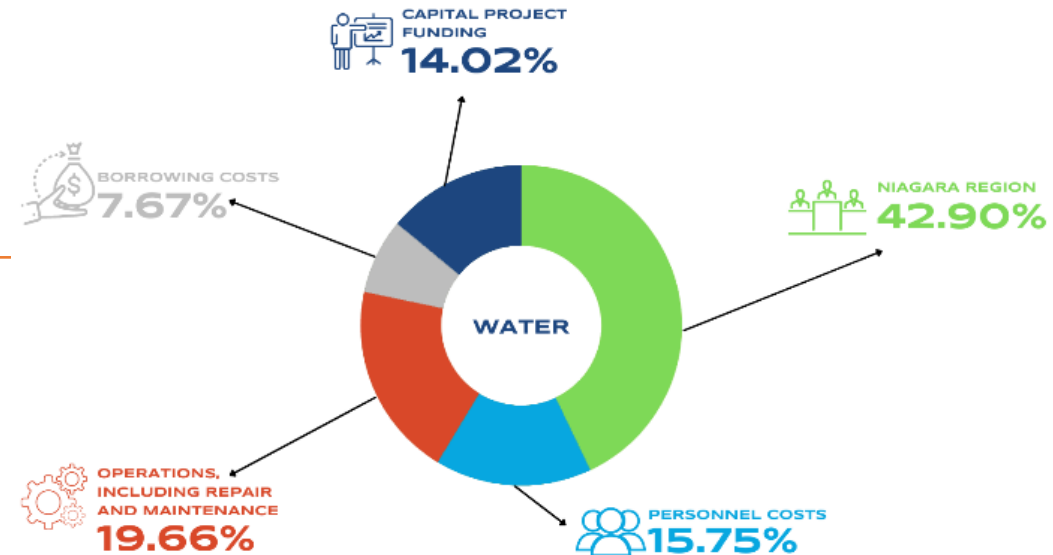
Program changes

Water Service and Wastewater Lateral Replacement Grant Program

Grant portion	Loan program
\$1,000 for water service	\$2,500 for water service
\$1,000 for wastewater lateral	\$2,500 for wastewater lateral

- First intake – property owners located in watermain/sanitary project area and/or where City is completing an I&I project
- Then opened up to entire City
- Will not turn anyone away (if additional funds are need, reserves to be utilized)

Water

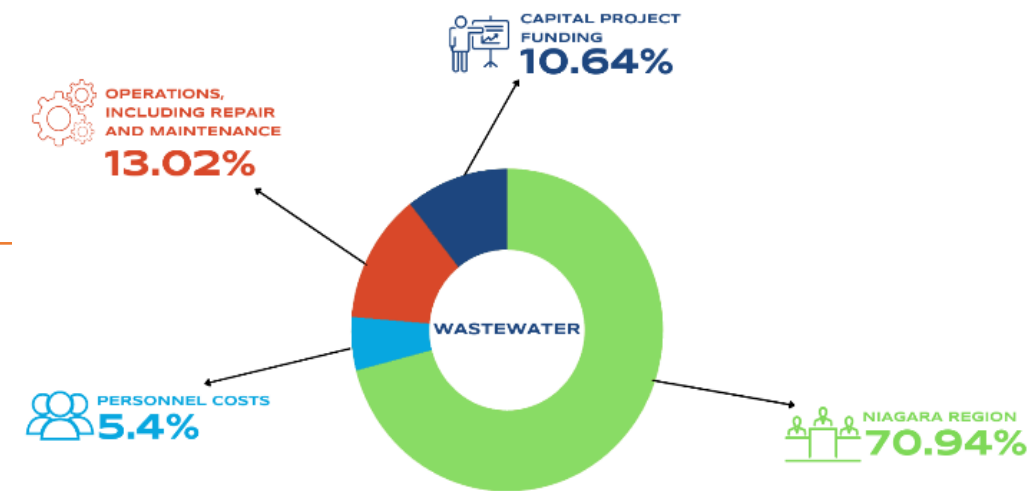


	2018	2018	2019	2019	2020	2020	2021	2021	2022	\$	%
	Actual	Budget	Actual	Budget	Actual	Budget	Forecast	Budget	Budget	Y/Y Budget Change	
Penalties and other fees	74,022	47,600	79,870	49,600	43,773	49,600	98,200	39,998	97,000	57,002	142.5%
Variable	2,199,721	2,515,978	2,090,175	2,545,523	2,192,600	2,600,201	2,200,000	2,128,931	2,120,000	(8,931)	(0.4%)
Fixed	2,407,161	2,365,535	2,529,022	2,463,697	2,649,521	2,530,023	2,571,000	2,572,569	2,540,000	(32,569)	(1.3%)
Total Revenue	4,680,904	4,929,113	4,699,067	5,058,820	4,885,893	5,179,824	4,869,200	4,741,498	4,757,000	15,502	0.33%

Fixed vs. Variable	52%	48%	55%	49%	55%	49%	54%	55%	55%		
Niagara Region	2,400,104	2,316,757	2,128,971	2,375,340	2,124,086	2,430,382	2,090,000	2,212,840	2,040,866	(171,974)	(7.8%)
Personnel costs	580,239	688,565	735,049	746,829	540,705	790,145	568,000	561,350	749,300	187,950	33.5%
Operations	801,052	706,061	975,565	719,021	875,788	741,748	867,060	739,260	935,310	196,050	26.5%
Capital	168,899	429,219	507,255	509,219	509,219	509,219	250,000	250,000	266,700	16,700	6.7%
Capital Pay-as-you-go (Carry forward)	-	-	-	-	-	-	-	-	-	-	0.0%
Borrowing costs	434,480	434,480	362,571	364,380	364,242	364,299	364,629	364,300	364,629	329	0.1%
Reserve transfers	296,130	354,031	(10,344)	344,031	471,853	344,031	729,511	613,748	400,195	(213,553)	(34.8%)
Total Expenses	4,680,904	4,929,113	4,699,067	5,058,820	4,885,893	5,179,824	4,869,200	4,741,498	4,757,000	15,502	0.33%

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Wastewater

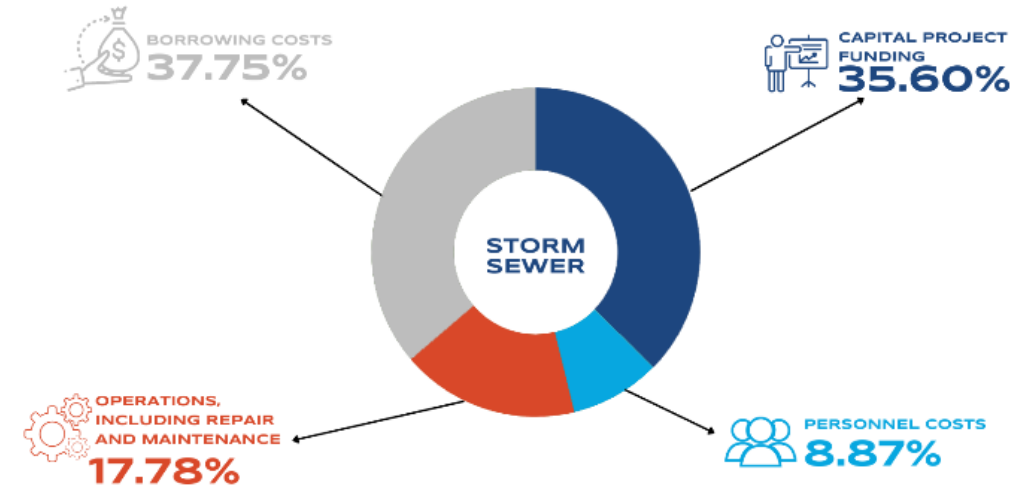


	2018	2018	2019	2019	2020	2020	2021	2021	2022	\$	%
	Actual	Budget	Actual	Budget	Actual	Budget	Forecast	Budget	Budget	Y/Y Budget Change	
Penalties and other fees	23,689	10,500	24,563	14,000	14,306	19,500	62,000	33,000	14,000	(19,000)	(57.6%)
Variable	1,571,404	2,210,299	1,714,867	2,271,636	1,723,798	2,559,638	926,000	2,207,282	623,067	(1,584,215)	(71.8%)
Fixed	2,962,497	2,997,089	3,242,518	3,205,857	3,521,448	3,409,291	5,705,000	4,519,326	6,300,000	1,780,674	39.4%
Total Revenue	4,557,590	5,217,888	4,981,948	5,491,493	5,259,552	5,988,429	6,693,000	6,759,608	6,937,067	177,459	2.63%

Fixed vs. Variable	65%	58%	65%	59%	67%	57%	86%	67%	91%		
Niagara Region	3,975,618	3,909,663	4,367,988	4,076,742	4,531,531	4,544,117	4,805,000	4,805,000	4,920,879	115,879	2.4%
Personnel costs	90,313	327,285	49,809	326,369	108,994	354,379	423,600	561,350	374,600	(186,750)	(33.3%)
Operations	476,584	529,010	465,105	536,452	721,460	585,333	852,051	785,050	903,500	118,450	15.1%
Capital	17,620	325,153	227,348	545,573	545,573	545,573	350,000	350,000	324,897	(25,103)	(7.2%)
Capital Pay-as-you-go (Carry forward)	-	-	-	-	-	-	-	-	-	-	0.0%
Borrowing costs	-	-	-	-	-	-	-	-	-	-	0.0%
Reserve transfers	(2,545)	126,777	(128,302)	6,357	(648,006)	(40,973)	262,349	258,208	413,191	154,983	60.0%
Total Expenses	4,557,590	5,217,888	4,981,948	5,491,493	5,259,552	5,988,429	6,693,000	6,759,608	6,937,067	177,459	2.63%

Surplus / (Deficit)	-	-	-	-	0	-	-	-	-	-	
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Storm Water



	2019	2019	2020	2020	2021	2021	2022	\$	%
	Actual	Budget	Actual	Budget	Forecast	Budget	Budget	Y/Y Budget Change	
Installation service fee	1,112	5,000	(276)	5,000	-	-	-	-	0.0%
Rate fees	730,566	740,800	766,976	770,279	850,000	854,720	1,407,000	552,280	71.7%
Total Revenue	731,678	745,800	766,700	775,279	850,000	854,720	1,407,000	552,280	71.24%

To support future capital. Result of multiplier adjustments in Report 2021-312.

Personnel costs	-	-	-	-	-	-	124,800	124,800	New
Operations	265,847	220,350	279,204	248,181	178,540	252,870	250,100	(2,770)	(1.1%)
Capital	-	-	39,998	-	23,724	23,724	110,000	86,276	0.0%
Borrowing costs	299,819	299,819	309,823	299,819	535,819	535,819	531,156	(4,663)	(1.6%)
Reserve transfers	166,012	225,631	137,675	227,279	111,917	42,307	390,944	348,637	153.4%
Total Expenses	731,678	745,800	766,700	775,279	850,000	854,720	1,407,000	552,280	71.24%

Surplus / (Deficit)	-	-	-	-	-	-	-	-	-
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Looking Forward: Capital Projects

- Water: Erie Street watermain replacement. Project cost \$1,880,000.
- Water: Watermain replacement and looping project associated with Davis St., West St, Homewood Ave, Berkley Ave. Project cost \$5,000,000 (grant dependent).
- Wastewater: Clarke Area Sanitary Sewer Remediation associated with the east side sanitary network, north of Killaly St. E. Project cost \$1,000,000 (grant dependent).
- Wastewater: Clarke Area Inflow and Infiltration Reduction Program. Project cost \$500,000 (grant dependent).
- Storm Sewer: Surcharge and flooding along King Street. Project cost \$300,000.
- Storm Sewer: Johnston Street Pumping Station upgrades. Project cost \$35,000.
- Storm Sewer: Johnston Street Storm water pond cleaning and maintenance. Project cost \$75,000.

Looking Forward

- Complete and update the City's asset management plan by June 2022 to meet Provincial planning and reporting obligations, including an infrastructure needs assessment of all linear assets.
- Based on the completion of the Infrastructure Needs Study, develop a five (5) year linear capital projects plan that incorporates all linear assets such as water, wastewater and storm sewer for recommended reconstruction and upgrades.
- Move bulk water revenue and related costs to a separate cost centre to track more accurately as a self-sustaining entity going forward.



Recommendation

2022 Rates Budget

That Corporate Services Department Report 2021-311, BE RECEIVED; and

That the 2022 Rates Budget as outlined in Appendix B to Corporate Services Department Report 2021-311, BE APPROVED.



Appendix B - Divisional Summary & Detail

Rates Divisional Summary

Appendix B - Rates Divisional Summary

		Rates			
		Storm Sewer	Wastewater	Water	Total
2022 BUDGET	Total Revenue	1,407,000	6,937,067	4,757,000	13,101,067
	Personnel Expenses	124,800	374,600	749,300	1,248,700
	Operating Expenses	182,100	5,364,379	2,516,176	8,062,655
	Total Expense	306,900	5,738,979	3,265,476	9,311,355
	Surplus/(Deficit) Before Transfers	1,100,100	1,198,088	1,491,524	3,789,712
	Transfers to (from) Reserves	390,944	413,191	400,195	1,204,330
	Transfers to (from) Capital	110,000	324,897	266,700	701,597
	Transfers to (from) Borrowing Costs	531,156	-	364,629	895,785
	Transfers to (from) Levy as Cost Reimbursement	68,000	460,000	460,000	988,000
	Total Transfers	1,100,100	1,198,088	1,491,524	3,789,712
	Surplus/(Deficit)	-	-	0	0
2021 BUDGET	Total Revenue	854,720	6,759,608	4,741,498	12,355,826
	Personnel Expenses	-	561,350	561,350	1,122,700
	Operating Expenses	202,870	5,311,500	2,673,550	8,187,920
	Total Expense	202,870	5,872,850	3,234,900	9,310,620
	Surplus/(Deficit) Before Transfers	651,850	886,758	1,506,598	3,045,206
	Transfers to (from) Reserves	42,307	258,207	613,748	914,262
	Transfers to (from) Capital	23,724	350,001	250,000	623,725
	Transfers to (from) Borrowing Costs	535,819	-	364,300	900,119
	Transfers to (from) Levy as Cost Reimbursement	50,000	278,550	278,550	607,100
	Total Transfers	651,850	886,758	1,506,598	3,045,206
	Surplus/(Deficit)	-	-	-	-
VARIANCE	Total Revenue	552,280	177,459	15,502	745,241
	Personnel Expenses	124,800	(186,750)	187,950	126,000
	Operating Expenses	(20,770)	52,879	(157,374)	(125,265)
	Total Expense	104,030	(133,871)	30,576	735
	Surplus/(Deficit) Before Transfers	448,250	311,330	(15,074)	744,506
	Transfers to (from) Reserves	348,637	154,984	(213,553)	290,068
	Transfers to (from) Capital	86,276	(25,104)	16,700	77,872
	Transfers to (from) Borrowing Costs	(4,663)	-	329	(4,334)
	Transfers to (from) Levy as Cost Reimbursement	18,000	181,450	181,450	380,900
	Total Transfers	448,250	311,330	(15,074)	744,506
	Surplus/(Deficit)	-	-	0	0

Appendix B - Rates Divisional Detail

Object Name	Total			Storm Sewer			Wastewater		
	Budget 2022	Forecast 2021	Budget 2021	Budget 2022	Forecast 2021	Budget 2021	Budget 2022	Forecast 2021	Budget 2021
Other Revenue	85,000	85,000	-	-	-	-	-	-	-
Chargebacks	-	3,000	-	-	-	-	-	3,000	-
Fees	-	45,200	-	-	-	-	-	45,000	-
Sales	-	1,000	-	-	-	-	-	-	-
Penalties and Interest	26,000	26,000	72,998	-	-	-	14,000	14,000	33,000
Rate Revenue - Variable	2,743,067	3,126,000	4,336,213	-	-	-	623,067	926,000	2,207,282
Rate Revenue - Fixed	10,247,000	9,126,000	7,946,615	1,407,000	850,000	854,720	6,300,000	5,705,000	4,519,326
Total Revenue	13,101,067	12,412,200	12,355,826	1,407,000	850,000	854,720	6,937,067	6,693,000	6,759,608
Salaries and Wages - Full Time	868,800	646,000	834,600	86,900	-	-	260,600	258,400	417,300
Salaries and Wages - Part Time	30,300	57,600	-	3,000	-	-	9,100	50,000	-
Salaries and Wages - Students	15,300	36,000	-	1,500	-	-	4,600	14,400	-
Overtime Pay	41,300	12,000	41,300	4,100	-	-	12,400	4,800	20,650
Employee Benefits	293,000	240,000	246,800	29,300	-	-	87,900	96,000	123,400
Association/Membership Fees	6,000	4,600	4,000	-	-	-	3,000	2,000	2,000
Comm and Public Relations	20,000	10,000	20,000	-	-	-	10,000	5,000	10,000
Computer Software	18,400	12,900	12,900	-	-	-	5,000	5,000	5,000
Contract Services	496,010	398,310	496,010	137,700	40,000	137,700	187,550	187,550	187,550
PAP / Online Incentives	40,000	70,000	40,000	-	-	-	20,000	35,000	20,000
Seniors Discount	35,000	35,000	100,000	-	-	-	35,000	35,000	100,000
Equipment - Purchase	30,800	30,800	30,800	-	-	-	13,500	13,500	13,500
Equipment - Rental	18,000	20,900	14,900	18,000	18,000	12,000	-	-	-
Office Supplies	27,500	20,000	27,500	-	-	-	13,750	10,000	13,750
Postage & Courier	52,000	44,000	80,000	-	-	-	26,000	22,000	40,000
Protective & Uniform Clothing	10,000	10,000	10,000	-	-	-	4,000	4,000	4,000
R&M Consumables and Parts	158,100	103,500	158,100	8,500	8,500	8,500	45,100	25,000	45,100
Staff Training & Development	25,600	30,000	36,800	-	-	-	7,200	15,000	18,400
SME - Consultants	59,000	55,000	59,000	-	-	-	25,000	25,000	25,000
Telephone/Internet	8,800	8,300	8,800	-	-	-	-	-	-
Travel	3,200	200	3,600	-	-	-	1,400	-	1,800
Utilities - Hydro	30,600	15,900	28,000	6,000	6,000	5,000	22,000	8,000	20,400
Utilities - Water	900	900	900	900	900	900	-	-	-
Property Tax Charges	11,000	10,440	10,440	11,000	10,440	10,440	-	-	-
City Owned Property SS Charges	-	26,700	28,330	-	26,700	28,330	-	-	-
Tax Reassessment and Uncollect	-	2,200	-	-	-	-	-	-	-
Region Rate - Fixed	5,479,356	5,395,000	5,395,000	-	-	-	4,920,879	4,805,000	4,805,000
Region Rate - Variable	1,482,389	1,500,000	1,622,840	-	-	-	-	-	-
Total Expense	9,311,355	8,796,250	9,310,620	306,900	110,540	202,870	5,738,979	5,620,650	5,872,850
Surplus/(Deficit) Before Transfers	3,789,712	3,615,950	3,045,206	1,100,100	739,460	651,850	1,198,088	1,072,350	886,758

Appendix B - Rates Divisional Detail

Object Name	Total			Storm Sewer			Wastewater		
	Budget 2022	Forecast 2021	Budget 2021	Budget 2022	Forecast 2021	Budget 2021	Budget 2022	Forecast 2021	Budget 2021
Transfers to (from) Reserves	1,204,330	1,103,777	914,262	390,944	111,917	42,307	413,191	262,349	258,207
Transfers to (from) Capital	701,597	623,725	623,725	110,000	23,724	23,724	324,897	350,001	350,001
Transfers to (from) Borrowing Costs	895,785	900,448	900,119	531,156	535,819	535,819	-	-	-
Transfers to (from) Levy as Cost Reimbursement	988,000	988,000	607,100	68,000	68,000	50,000	460,000	460,000	278,550
Total Transfers	3,789,712	3,615,950	3,045,206	1,100,100	739,460	651,850	1,198,088	1,072,350	886,758
Surplus/(Deficit)	0	-	-	-	-	-	-	-	-

Appendix B - Rates Divisional Detail

Object Name	Water		
	Budget 2022	Forecast 2021	Budget 2021
Other Revenue	85,000	85,000	-
Chargebacks	-	-	-
Fees	-	200	-
Sales	-	1,000	-
Penalties and Interest	12,000	12,000	39,998
Rate Revenue - Variable	2,120,000	2,200,000	2,128,931
Rate Revenue - Fixed	2,540,000	2,571,000	2,572,569
Total Revenue	4,757,000	4,869,200	4,741,498
Salaries and Wages - Full Time	521,300	387,600	417,300
Salaries and Wages - Part Time	18,200	7,600	-
Salaries and Wages - Students	9,200	21,600	-
Overtime Pay	24,800	7,200	20,650
Employee Benefits	175,800	144,000	123,400
Association/Membership Fees	3,000	2,600	2,000
Comm and Public Relations	10,000	5,000	10,000
Computer Software	13,400	7,900	7,900
Contract Services	170,760	170,760	170,760
PAP / Online Incentives	20,000	35,000	20,000
Seniors Discount	-	-	-
Equipment - Purchase	17,300	17,300	17,300
Equipment - Rental	-	2,900	2,900
Office Supplies	13,750	10,000	13,750
Postage & Courier	26,000	22,000	40,000
Protective & Uniform Clothing	6,000	6,000	6,000
R&M Consumables and Parts	104,500	70,000	104,500
Staff Training & Development	18,400	15,000	18,400
SME - Consultants	34,000	30,000	34,000
Telephone/Internet	8,800	8,300	8,800
Travel	1,800	200	1,800
Utilities - Hydro	2,600	1,900	2,600
Utilities - Water	-	-	-
Property Tax Charges	-	-	-
City Owned Property SS Charges	-	-	-
Tax Reassessment and Uncollect	-	2,200	-
Region Rate - Fixed	558,477	590,000	590,000
Region Rate - Variable	1,482,389	1,500,000	1,622,840
Total Expense	3,265,476	3,065,060	3,234,900
Surplus/(Deficit) Before Transfers	1,491,524	1,804,140	1,506,598

Appendix B - Rates Divisional Detail

Object Name	Water		
	Budget 2022	Forecast 2021	Budget 2021
Transfers to (from) Reserves	400,195	729,511	613,748
Transfers to (from) Capital	266,700	250,000	250,000
Transfers to (from) Borrowing Costs	364,629	364,629	364,300
Transfers to (from) Levy as Cost Reimbursement	460,000	460,000	278,550
Total Transfers	1,491,524	1,804,140	1,506,598
Surplus/(Deficit)	0	-	-

Appendix C - Divisional Multi-Year Budgets

Appendix C - Summary - Five Year Combined Water and Waste Water Budgets

	2018	2018	2019	2019	2020	2020	2021	2021	2022	\$	%
	Actual	Budget	Actual	Budget	Actual	Budget	Forecast	Budget	Budget	Y/Y Budget Change	
Penalties and other fees	97,711	58,100	104,433	63,600	58,079	69,100	160,200	72,998	111,000	38,002	52.1%
Variable	3,771,125	4,726,277	3,805,042	4,817,159	3,916,398	5,159,839	3,126,000	4,336,213	2,743,067	(1,593,146)	(36.7%)
Fixed	5,369,658	5,362,624	5,771,540	5,669,554	6,170,969	5,939,314	8,276,000	7,091,895	8,840,000	1,748,105	24.6%
Total Revenue	9,238,494	10,147,001	9,681,015	10,550,313	10,145,446	11,168,253	11,562,200	11,501,106	11,694,067	192,961	1.68%
Fixed vs. Variable	59%	53%	60%	54%	61%	54%	73%	62%	76%		
Niagara Region	6,375,722	6,226,420	6,496,959	6,452,082	6,655,617	6,974,499	6,895,000	7,017,840	6,961,745	(56,095)	(0.8%)
Personnel costs	670,552	1,015,850	784,858	1,073,198	649,699	1,144,524	991,600	1,122,700	1,123,900	1,200	0.1%
Operations	1,277,636	1,235,071	1,440,670	1,255,473	1,597,248	1,327,081	1,719,111	1,524,310	1,838,810	314,500	20.6%
Capital	186,519	754,372	734,603	1,054,792	1,054,792	1,054,792	600,000	600,000	591,597	(8,403)	(1.4%)
Capital Pay-as-you-go (Carry forward)	-	-	-	-	-	-	-	-	-	-	0.0%
Borrowing costs	434,480	434,480	362,571	364,380	364,242	364,299	364,629	364,300	364,629	329	0.1%
Reserve transfers	293,585	480,808	(138,646)	350,388	(176,153)	303,058	991,860	871,956	813,386	(58,570)	(6.7%)
Total Expenses	9,238,494	10,147,001	9,681,015	10,550,313	10,145,445	11,168,253	11,562,200	11,501,106	11,694,067	192,961	1.68%
Surplus / (Deficit)	-	-	-	-	0	-	-	-	-	-	-
Revenue Budget to Actual / Forecast	(908,507)		(869,298)		(1,022,807)		61,094				
Niagara Region	69.0%	61.4%	67.1%	61.2%	65.6%	62.4%	59.6%	61.0%	59.5%		
Capital & Reserves	5.2%	12.2%	6.2%	13.3%	8.7%	12.2%	13.8%	12.8%	12.0%		
% of Total Revenue	74.2%	73.5%	73.3%	74.5%	74.3%	74.6%	73.4%	73.8%	71.5%		

Appendix C - Summary - Five Year Water Budgets

	2018	2018	2019	2019	2020	2020	2021	2021	2022	\$	%
	Actual	Budget	Actual	Budget	Actual	Budget	Forecast	Budget	Budget	Y/Y Budget Change	
Penalties and other fees	74,022	47,600	79,870	49,600	43,773	49,600	98,200	39,998	97,000	57,002	142.5%
Variable	2,199,721	2,515,978	2,090,175	2,545,523	2,192,600	2,600,201	2,200,000	2,128,931	2,120,000	(8,931)	(0.4%)
Fixed	2,407,161	2,365,535	2,529,022	2,463,697	2,649,521	2,530,023	2,571,000	2,572,569	2,540,000	(32,569)	(1.3%)
Total Revenue	4,680,904	4,929,113	4,699,067	5,058,820	4,885,893	5,179,824	4,869,200	4,741,498	4,757,000	15,502	0.33%
Fixed vs. Variable	52%	48%	55%	49%	55%	49%	54%	55%	55%		
Niagara Region	2,400,104	2,316,757	2,128,971	2,375,340	2,124,086	2,430,382	2,090,000	2,212,840	2,040,866	(171,974)	(7.8%)
Personnel costs	580,239	688,565	735,049	746,829	540,705	790,145	568,000	561,350	749,300	187,950	33.5%
Operations	801,052	706,061	975,565	719,021	875,788	741,748	867,060	739,260	935,310	196,050	26.5%
Capital	168,899	429,219	507,255	509,219	509,219	509,219	250,000	250,000	266,700	16,700	6.7%
Capital Pay-as-you-go (Carry forward)	-	-	-	-		-		-		-	0.0%
Borrowing costs	434,480	434,480	362,571	364,380	364,242	364,299	364,629	364,300	364,629	329	0.1%
Reserve transfers	296,130	354,031	(10,344)	344,031	471,853	344,031	729,511	613,748	400,195	(213,553)	(34.8%)
Total Expenses	4,680,904	4,929,113	4,699,067	5,058,820	4,885,893	5,179,824	4,869,200	4,741,498	4,757,000	15,502	0.33%
Surplus / (Deficit)	-	-	-	-	-	-	-	-	-	-	
Revenue Budget to Actual / Forecast	(248,209)		(359,753)		(293,931)		127,702				
Niagara Region	51.3%	47.0%	45.3%	47.0%	43.5%	46.9%	42.9%	46.7%	42.9%		
Capital & Reserves	9.9%	15.9%	10.6%	16.9%	20.1%	16.5%	20.1%	18.2%	14.0%		
% of Total Revenue	61.2%	62.9%	55.9%	63.8%	63.6%	63.4%	63.0%	64.9%	56.9%		

Appendix C - Summary - Five Year Wastewater Budgets

	2018	2018	2019	2019	2020	2020	2021	2021	2022	\$	%
	Actual	Budget	Actual	Budget	Actual	Budget	Forecast	Budget	Budget	Y/Y Budget Change	
Penalties and other fees	23,689	10,500	24,563	14,000	14,306	19,500	62,000	33,000	14,000	(19,000)	(57.6%)
Variable	1,571,404	2,210,299	1,714,867	2,271,636	1,723,798	2,559,638	926,000	2,207,282	623,067	(1,584,215)	(71.8%)
Fixed	2,962,497	2,997,089	3,242,518	3,205,857	3,521,448	3,409,291	5,705,000	4,519,326	6,300,000	1,780,674	39.4%
Total Revenue	4,557,590	5,217,888	4,981,948	5,491,493	5,259,552	5,988,429	6,693,000	6,759,608	6,937,067	177,459	2.63%
Fixed vs. Variable	65%	58%	65%	59%	67%	57%	86%	67%	91%		
Niagara Region	3,975,618	3,909,663	4,367,988	4,076,742	4,531,531	4,544,117	4,805,000	4,805,000	4,920,879	115,879	2.4%
Personnel costs	90,313	327,285	49,809	326,369	108,994	354,379	423,600	561,350	374,600	(186,750)	(33.3%)
Operations	476,584	529,010	465,105	536,452	721,460	585,333	852,051	785,050	903,500	118,450	15.1%
Capital	17,620	325,153	227,348	545,573	545,573	545,573	350,000	350,000	324,897	(25,103)	(7.2%)
Capital Pay-as-you-go (Carry forward)	-	-	-	-	-	-	-	-	-	-	0.0%
Borrowing costs	-	-	-	-	-	-	-	-	-	-	0.0%
Reserve transfers	(2,545)	126,777	(128,302)	6,357	(648,006)	(40,973)	262,349	258,208	413,191	154,983	60.0%
Total Expenses	4,557,590	5,217,888	4,981,948	5,491,493	5,259,552	5,988,429	6,693,000	6,759,608	6,937,067	177,459	2.63%
Surplus / (Deficit)	-	-	-	-	0	-	-	-	-	-	
Revenue Budget to Actual / Forecast	(660,298)		(509,545)		(728,877)		(66,608)				
Niagara Region	87.2%	74.9%	87.7%	74.2%	86.2%	75.9%	71.8%	71.1%	70.9%		
Capital & Reserves	0.3%	8.7%	2.0%	10.1%	(1.9%)	8.4%	9.1%	9.0%	10.6%		
% of Total Revenue	87.6%	83.6%	89.7%	84.3%	84.2%	84.3%	80.9%	80.1%	81.6%		

Appendix C - Summary - Four Year Storm Sewer Budgets

	2019	2019	2020	2020	2021	2021	2022	\$	%
	Actual	Budget	Actual	Budget	Forecast	Budget	Budget	Y/Y Budget Change	
Installation service fee	1,112	5,000	(276)	5,000	-	-		-	0.0%
Rate fees	730,566	740,800	766,976	770,279	850,000	854,720	1,407,000	552,280	71.7%
Total Revenue	731,678	745,800	766,700	775,279	850,000	854,720	1,407,000	552,280	71.24%
Personnel costs	-	-	-	-	-	-	124,800	124,800	New
Operations	265,847	220,350	279,204	248,181	178,540	252,870	250,100	(2,770)	(1.1%)
Capital	-	-	39,998	-	23,724	23,724	110,000	86,276	0.0%
Borrowing costs	299,819	299,819	309,823	299,819	535,819	535,819	531,156	(4,663)	(1.6%)
Reserve transfers	166,012	225,631	137,675	227,279	111,917	42,307	390,944	348,637	153.4%
Total Expenses	731,678	745,800	766,700	775,279	850,000	854,720	1,407,000	552,280	71.24%
Surplus / (Deficit)	-	-	-	-	-	-	-	-	-

Appendix D - Divisional Usage & Billing Metrics

Appendix D - Water and Wastewater Usage and Billing Metrics

	2017	2018	2019	2020	2021	2022
	Actual	Actual	Actual	Actual	Forecast	Budget
Water (M³)						
Water purchase from Region (Actual)	3,182,370	3,233,180	2,656,040	2,541,330	2,330,800	2,330,800
Water purchase from Region (3 year average for budget)	3,097,000	3,048,000	3,023,863	3,037,000	2,873,000	2,541,000
Water of Region Total (3 year average for Budget purposes)	57,682,000	57,525,000	58,130,000	57,148,000	56,860,000	55,193,000
Port Colborne %	5.37%	5.30%	5.20%	5.31%	5.05%	4.60%
Wastewater (M³)						
Wastewater to Region (Actual)	4,389,000	4,547,000	4,846,000	4,126,341	3,592,799	4,232,000
Wastewater to Region (Budget basis - 3 Year Average - Oct 31 Ending)	4,200,000	3,934,000	3,944,000	4,480,000	4,590,000	4,232,000
Wastewater of Region (Budget basis - 3 Year Average - Oct 31 Ending)	70,095,000	68,571,000	70,306,000	75,938,000	75,218,000	71,680,000
Port Colborne %	5.99%	5.74%	5.61%	5.90%	6.10%	5.90%
Billing (M³)						
Water bill	1,678,488	1,754,042	1,632,548	1,629,458	1,605,938	1,605,938
Water billed vs. Water Purchased (Goal 85%)	52.74%	54.25%	61.47%	64.12%	68.90%	68.90%
Additional Data						
Lake Level (Avg. cm above datum)	109.3	115.3	134.0	140.0	118.0	
Percipitation (MM)	1,030.8	1,405.2	1,078.3	830.0	806.0	



Subject: 2022 Rates Setting

To: Committee of the Whole - Budget

From: Corporate Services Department

Report Number: 2021-312

Meeting Date: December 6, 2021

Recommendation:

That Corporate Services Department Report 2021-312, **BE RECEIVED**;

That Council approve a 0% increase to the 2022 Water and Wastewater Rates; and

That the 2022 Storm Sewer Rates as outlined on page 5 of Corporate Services Department Report 2021-312, **BE APPROVED**.

Purpose:

The purpose of this report is to present the proposed 2022 water, wastewater and storm sewer rates to the Budget Committee of the Whole.

A separate report has been prepared and presented to the Committee of the Whole – Budget entitled, 2022 Rates Budget Report 2021-311, to establish water, wastewater and storm sewer budgets.

Background:

The City of Port Colborne (the “City”) water and wastewater system is operated under a two-tier municipal governance model. The Niagara Region is responsible for cleaning and providing drinking water and treating all wastewater. The City is responsible for water distribution and wastewater collection. The City is also responsible for billing, retains all collection risk and, except for some shared volume risk with water, is responsible for the risk associated with volume under or over usage from budget.

The Niagara Region bills the municipality for all water that leaves their water plant and for all wastewater that enters the treatment plant. As noted in the report, 2022 Rate Budgets, Report 2021-311, water billed in 2021 is projected at 68.4% suggesting a

31.6% water loss rate. Directionally this figure should be closer to 15%. In the same report it can be identified the amount of wastewater that is sent to the Niagara Region treatment plants is approximately double the amount of clean drinking water purchased. These figures identify the current linear assets (the pipes) transporting water and wastewater are in need of significant investment. These issues, coupled with the capital investment required, are the most significant drivers of the water and wastewater rates within the City.

In 2019, Council approved a Storm Sewer fee that applies to all properties in the Urban Storm Sewer boundary. This boundary was adjusted retroactively at the November 22, 2021 Council meeting by way of a report titled, Proposed Adjustment to the Urban Storm Sewer Boundary, Report 2021-302.

The City storm sewers alleviate storm water from the City. An effective storm sewer system can help reduce inflow and infiltration (I&I) in the wastewater system.

Discussion:

The 2022 Rates Budget, Report 2021-311 translates into the following impacts on rates.

Rate Budget Impact

Water and Wastewater

If the proposed 2022 Rates Budget and 2022 Rates Setting reports are approved as presented, the water and wastewater impact to a single-family property will be:

	\$ Change	% Change
Water	Zero	Zero
Wastewater	Zero	Zero
Blended/Combined	Zero	Zero

Storm Sewer

If the proposed 2022 Rates Budget is approved as presented, the storm sewer impact to a single-family property is \$11.55 which represents a 10% increase over the prior year.

Water and Wastewater

In 2021 a number of changes to the water and wastewater billing process occurred:

- Monthly billing was introduced.
- A \$25 credit for signing up for Pre-Authorized Payment was introduced.
- Ability to pay on-line by credit card was introduced.
- A guaranteed income supplement grant of \$244 was implemented for wastewater charges.

- Residential wastewater charges were moved to a fixed access charge vs. a fixed plus water usage charge.
- Introduced new information to help explain water and wastewater in the City of Port Colborne. The information can be found on the City's website at the following link: [Water and Wastewater - City of Port Colborne \(https://www.portcolborne.ca/en/living-here/water-and-wastewater.aspx\)](https://www.portcolborne.ca/en/living-here/water-and-wastewater.aspx).

In 2022, staff propose the following additional changes:

- Apply the annual fixed charges of water and wastewater on a prorated monthly basis instead of a prorated daily basis. This will result in the same fixed charge each month instead of the fixed charges changing month to month based on the number of days in a month. This change will occur on the December 2021 billing that will be received by water and wastewater users in January 2022.
- As identified in the 2022 Rates Budget report staff are proposing a \$25 incentive for users to move their City billings online rather than receiving a mailed bill. In the same report, staff have proposed maintaining the \$25 credit for new Pre-Authorized Payment enrolments.

The proposed rates are the same as the prior year and are as follows:

Variable			
			Rate per m3
Water (all meter types)			1.3074
Wastewater (5/8 to 3/4 residential meters)			0.0000
Wastewater (all non - 5/8 to 3/4 residential meter types)			1.8860
			3.1934
Fixed Rate			
Meter	Water	Wastewater	Combined
N 5/8 to 3/4 - Residential	\$ 379.72	\$ 1,002.38	\$ 1,382.09
N 5/8 to 3/4 - Non-Residential	\$ 379.72	\$ 738.03	\$ 1,117.74
N 1	\$ 531.60	\$ 1,033.24	\$ 1,564.84
N 1 1/2	\$ 683.49	\$ 1,328.44	\$ 2,011.94
N 2	\$ 1,101.18	\$ 2,140.28	\$ 3,241.46
N 3	\$ 4,176.88	\$ 8,118.29	\$ 12,295.17
N 4	\$ 5,316.03	\$ 10,332.36	\$ 15,648.40
N 6	\$ 7,974.05	\$ 15,498.55	\$ 23,472.59
N 8	\$ 11,011.78	\$ 21,402.75	\$ 32,414.53
N 10	\$ 15,188.66	\$ 29,521.04	\$ 44,709.70

The rates above will result in the average residential user with a 5/8 to 3/4 meter that uses 150 cubic meters of water per year paying \$131.52 per month. This compares to an average local area municipality rate of \$86.69 per month. This difference is primarily the result of inflow and infiltration in the wastewater system.

The chart below breaks down the monthly charge between water and wastewater:

	City of Port Colborne	Local Area Municipality Average
Water	\$47.98	\$37.64
Wastewater	\$83.53	\$49.05
Total	\$131.52	\$86.69

As identified above the monthly charge for wastewater is almost equal to the combined water and wastewater charge for the average local area municipality.

The primary reason for this is the inflow and infiltration in the wastewater system. The City is built on rock and along the lake and canal. When there is a weather event the wastewater system captures a significant amount of that water and sends it to the Niagara Region wastewater treatment plant to be cleaned. A salient fact is for every 1 litre of clean water individuals and business use in the City, the wastewater system collects and sends back to the Niagara Region 2.63 litres to be treated (based on the three-year average). The Niagara Region bills local area municipalities for treating that wastewater by taking the Niagara Region's total cost for the whole wastewater system and allocating those costs to each local area municipality based on the amount of wastewater each local area municipality sends to the Niagara Region treatment plants.

In 2021, the City of Port Colborne three-year average wastewater flow to Niagara Region wastewater facilities was 5.9% of all local area municipality wastewater flows. This is despite the fact the 2016 census shows that the City of Port Colborne has only 4.1% of the Niagara Region population. In making this comparison staff recognize not all individuals within the City and other cities within the Niagara Region are water and wastewater users. This comparison also does not factor in the impacts of different commercial and industrial activities within different cities. The comparison does directionally indicate the City's portion of Niagara Region wastewater charges are high compared to other municipalities. As identified in the 2022 Rates Budget report, the Niagara Region portion of the wastewater bill represents 70.94% of the total wastewater charge.

In response to the inflow and infiltration experienced in the wastewater system, Council directed staff to develop a long-term solution to water and wastewater rates. To do this staff are working to:

- Complete and update the City's asset management plan by June 2022 to meet Provincial planning and reporting obligations, including an infrastructure needs assessment of all linear assets.

- Based on the completion of the Infrastructure Needs Study, develop a five (5) year linear capital projects plan that incorporates all linear assets such as water, wastewater and storm sewer for recommended reconstruction and upgrades.

In addition to upgrading the infrastructure, growth within the City of Port Colborne, whether it be residential, commercial, or industrial can also be very impactful as it shares the cost of the system over more users.

Storm Sewer

As identified during the 2022 Capital and Related Project budget process a 10% increase to the storm sewer charge of a single-family property was forecasted and has been recommended in this report. This equals an \$11.55 year over year increase. During the same process it was identified staff were looking at the multiplier rates of other properties. The chart below shows proposed new multipliers and their related fees for non-single-family properties:

Bylaw Code	Property Type	Multiplier		Flat Fee Per Year (\$)	
		2021	2022	2021	2022
SS01	Single Family Properties	1	1	\$ 115.50	\$ 127.05
SS02	Multi-Residential 2 to 5 Units	1.75	3	\$ 202.13	\$ 381.15
SS03	Multi-Residential 6 to 10 Units	2.25	10	\$ 259.88	\$ 1,270.50
SS05	Institutional/Multi Res > 10 units	2.75	20	\$ 317.63	\$ 2,541.00
SS05 A	112 Charlotte St Condo 23 units	SS05 / Units	90% SS01	\$ 13.81	\$ 114.35
SS05 B	112 Sugarloaf St Condo 22 Units	SS05 / Units	90% SS01	\$ 14.44	\$ 114.35
SS05 C	72 Main St E Condo 31 Units	SS05 / Units	90% SS01	\$ 10.25	\$ 114.35
SS06	Small Commercial	1.75	5	\$ 202.13	\$ 635.25
SS07	Medium Commercial	2.25	10	\$ 259.88	\$ 1,270.50
SS08	Large Commercial	2.75	20	\$ 317.63	\$ 2,541.00
SS09	Light Industrial	3.75	10	\$ 433.13	\$ 1,270.50
SS10	Heavy Industrial	4.75	40	\$ 548.63	\$ 5,082.00
SS12	CNPI Owned	2.25	20	\$ 259.88	\$ 2,541.00
SS13	Hydro One Owned	2.25	20	\$ 258.88	\$ 2,541.00
SS15	Niagara Region	2.75	20	\$ 259.88	\$ 2,541.00

Council and users of this report will identify multipliers from an identified base exist in other municipal billing models such as property tax and water and wastewater. In the

storm sewer charge the multiplier base charge is a single-family property. Multipliers exist for a variety of reasons, some of which may include to:

- Account for usage, causation, impact and/or benefit.
- Acknowledge ability to pay and/or promote a degree of social equity.
- Encourage or discourage certain types of actions and/or activity.
- Acknowledge and/or normalize for other related or unrelated benefits or disadvantages.

During the 2021 rates setting discussion staff took direction to review multipliers recognizing that there was a perceived inequity in what a single-family property paid compared to other properties. Further, the general agreement that in order to fix storm water concerns and wastewater inflow and infiltration within the urban storm sewer boundary, capital funding is required to improve the storm sewer system.

In proposing the new multipliers staff looked to be consistent in the original approach of multiplier types and maintain the current groupings to maintain simplicity in the storm sewer billing model. This goal of simplicity was established at the outset of developing the Storm Sewer fee.

A range of multipliers being 5, 10, 20 are proposed for categories which could be considered along the lines of small, medium and large. These multipliers were derived using a multiplication factor for multi-residential properties that is equal to the highest number of units within a category up to a maximum of 20.

Ultimately, density in multi-residential developments is something staff recommends be encouraged and for that reason the proposed multiplier was capped at 20 for residential properties.

In making this recommendation staff acknowledge certain properties may have less than the maximum number of units within a category. As identified above multipliers can account for a variety of factors that can be rationalized separately and differently.

This said, in proposing this methodology staff do propose discounting the 2 to 5 multi-residential unit category back down to 3 from 5 (for example), recognizing the majority of properties in that category are anticipated to be duplex and/or triplex properties.

These small, medium and larger multipliers of 5, 10 and 20 have also been applied against commercial, other non-standard properties and industrial, the exception being that the industrial multiplier is recommended at twice the small and larger values of residential/commercial.

In the event a multi-residential building is organized as a condo with each unit having their own property tax bill, the methodology is recommended to be adjusted to 90% of a single-family property. This recommendation recognizes that everyone in the urban storm sewer boundary benefits from the storm sewer system although there may be some differential between a single-family property and condo owner. As in the

wastewater system, where a case was made (and approved) to move to a more access-based system, staff recommend a similar rationale here.

To support affordable housing within the City of Port Colborne, this report recommends exempting the following affordable housing units on a go forward basis that were previously charged a storm sewer fee:

- Niagara Region Housing
- Non-Profit Housing providers of Niagara Region Housing. A list of current providers includes:
 - Gilead Manor (303 Elgin Street, Port Colborne)
 - Port Colborne Co-operative Homes Inc. (10 Saturn Crescent, Port Colborne)
 - South Niagara Gateway Family Homes Corporation Inc. (340, 350, 372, 376, 380, 384 Wellington Street, Port Colborne)

To streamline the administration of the storm water fees, staff recommended the following properties also be exempt:

- City-owned properties, as the charge and payment are all within the same budget.
- Ministry of Transportation and Transport Canada properties subsequent to on-going billing and related partnership discussions.

Council and users of this report may endeavour to calculate the percentage changes in some of these categories. The number of properties impacted by a change in multiplier represent around 16%-17% of properties within the urban storm sewer boundary. While these percentage changes in insolation may appear large, for the majority of these properties this increase in absolute dollars represents less than the a given year's tax increase in absolute dollars.

Looking Forward

As identified on many occasions, “everyday is budget day” in a municipality. Corporate Services continues to identify continuous improvement is a process. Looking forward to 2022, staff identify the following activities, in addition to those identified during the 2022 Levy and Rates Budget processes, that will help determine the financial outcomes of the City going into the 2023 budget process:

- Review water and wastewater fixed charge equity between single family properties and other property classifications.
- Review properties with significant and specified water, wastewater and storm sewer usage and discharge rights and associated fees regarding those rights.

Internal Consultations:

As stated, Financial Services would like to thank Public Works for their leadership and support in setting the 2022 water, wastewater, and storm sewer rates.

Financial Implications:

Financial Services identifies the proposed 2022 water, wastewater, and storm sewer rates are a staff recommendation that Council can adjust, if required.

Public Engagement:

The timeline for the 2022 Rates Setting report was approved at the June 28, 2021 Council meeting. The 2022 Rates Setting report was published on the City's website on November 26, 2021 through the agenda process. The 2022 Rates Setting report will be considered by the Committee of the Whole – Budget on December 6, 2021. If approved by the Committee of the Whole – Budget, the 2022 Rates Setting report will be considered by Council on December 13, 2021.

Following the budget process, staff will continue to review service levels and operations. Should changed be requested or sought, staff will seek input and where necessary approval from Council.

Strategic Plan Alignment:

The initiatives contained within this report supports the following pillar(s) of the strategic plan:

- Service and Simplicity - Quality and Innovative Delivery of Customer Services
 - Attracting Business Investment and Tourists to Port Colborne
 - City-Wide Investments in Infrastructure and Recreational/Cultural Spaces
 - Value: Financial Management to Achieve Financial Sustainability
 - People: Supporting and Investing in Human Capital
 - Governance: Communications, Engagement, and Decision-Making
-

Conclusion:

Staff recommend Council approve the 2022 water, wastewater, and storm sewer rates identified in this report.

As there is no recommended change in the 2022 water and wastewater rates an update to the bylaw is not required. The storm sewer rates will be updated by way of the 2022 Property Tax Rates bylaw once tax policy decisions are finalized by the Niagara Region in early 2022.

Respectfully submitted,

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Report Approval:

All reports reviewed and approved by the Department Director and also the City Treasurer when relevant. Final review and approval by the Chief Administrative Officer.



Subject: Virtual City Hall – Account Sign-up Incentive

To: Council

From: Corporate Services Department

Report Number: 2021-230

Meeting Date: December 13, 2021

Recommendation:

That Corporate Services Department Report 2021-230 be received as information.

Purpose:

The purpose of this report is to demonstrate the new Virtual City Hall platform that Customer Service is planning to make available in January 2022.

The City is committed to continuously enhancing the customer service experience and launching Virtual City Hall is one way customer service can meet the needs of residents. As technology advances, everyone can appreciate more and more people are choosing to manage monthly bills online. This added feature not only provides a convenient way to manage monthly City bills, but it also promotes an environmentally friendly alternative by allowing citizens to sign up for paperless billing.

Background:

Customer Service has received feedback that the method of payments currently received by City Hall are limited and the City does not offer a way for citizens to view and manage their City accounts 24 hours per day, 7 days per week.

Discussion:

Virtual City Hall is a cloud-based platform which will allow residents to create a secure and confidential online account to manage property tax bills, water and wastewater bills, and accounts receivable invoices.

This platform is used by several other municipalities in the Niagara Region. This new online system provides account holders the ability to make full or partial payments in one simple and centralized location. In addition, account holders can:

- sign-up for pre-authorized payments;
- manage monthly bills through their banking institution; and
- access property information provided to the City of Port Colborne by the Municipal Property Assessment Corporation (MPAC), including searching for properties to view assessment and tax information.

Appendix A – 2022 Virtual City Hall Presentation provides additional information regarding this new program.

Financial Implications:

The estimated savings of a water/wastewater account receiving bills through Virtual City Hall as opposed to traditional mail is approximately \$12 per year. The estimated savings for the same delivery of a property tax account is approximately \$4 per year. In both calculations staff time is not included. The primary difference in saving is the frequency of invoicing.

The 2022 water and wastewater budget proposed a \$25 dollar incentive to sign up to only receive water/wastewater and property tax bills online. Financial Services identifies the “and property tax bills” is not necessarily clear in the water/wastewater budget documents.

For greater clarity, the credit will be earned as \$15 dollars for signing up for the water/wastewater program and \$10 for signing up for the property tax program. The \$15 cost will be funded from the water and wastewater budgets (split evenly between each budget) and the \$10 cost from the levy (property tax) budget. If an account holder only signs up for water/wastewater billing or property tax billing the account holder will only get the credit for that account.

Customer Service highlights that approximately 500 accounts currently receive invoices through email. These accounts will be moved to Virtual City Hall and Customer Service will be reaching out to assist account holders in establishing a username and password. Similar to the pre-authorized payment credit introduced last year, current account holders receiving invoices through email will receive the incentive credit(s) as outlined above.

Financial Services is planning to apply the incentive credits on the April, September, and December billings.

In the event of non-payment, a paper invoice will be sent after 3 months.

Public Engagement:

The City will notify citizens of the Virtual City Hall platform and the bill credit incentive via the following channels: social media, media release, mail inserts, website carousel, and public launch event at the City of Port Colborne Public Library.

Strategic Plan Alignment:

The initiative contained within this report supports the following pillar(s) of the strategic plan:

- Service and Simplicity - Quality and Innovative Delivery of Customer Service
 - Value: Financial Management to Achieve Financial Sustainability
 - People: Supporting and Investing in Human Capital
 - Governance: Communications, Engagement, and Decision-Making
-

Conclusion:

Customer Service looks forward to providing the residents of the City of Port Colborne with this new platform.

Appendices:

- a. Appendix A – 2022 Virtual City Hall Presentation

Respectfully submitted,

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Report Approval:

All reports reviewed and approved by the Department Director and also the City Treasurer when relevant. Final review and approval by the Chief Administrative Officer.

Virtual City Hall

December 13, 2021



Agenda

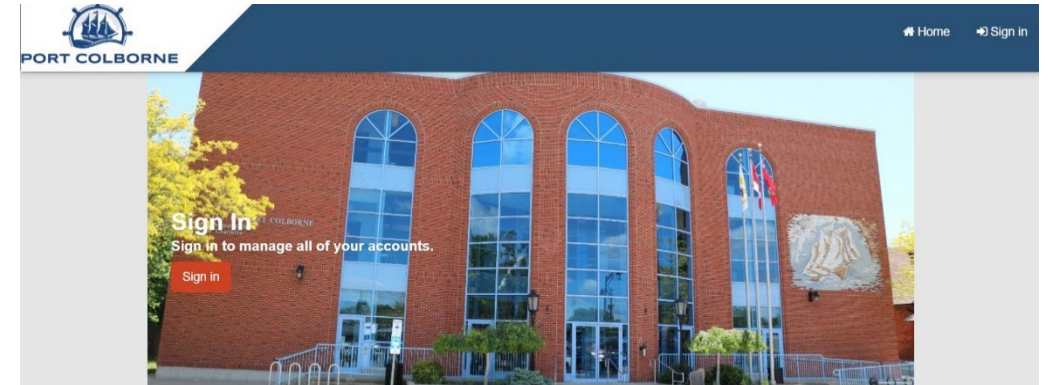
- ☐ Introduction to Virtual City Hall
- ☐ Home Page
- ☐ Activating an Account
- ☐ Making a Payment online
- ☐ Signing up for Paperless Billing
- ☐ Highlights

Introduction to Virtual City Hall

Virtual City Hall is a self serve platform designed to assist Citizens with managing and viewing their accounts with the City of Port Colborne.

Citizens will have the ability to create a unique log-in account within Virtual City Hall that will give them access to view their property statements, utility bills and accounts receivable invoices.

Citizens can use this platform to sign up for pre-authorized payments, paperless billing and make credit card payments directly to their property and utility accounts 24 hours a day / 7 days a week.

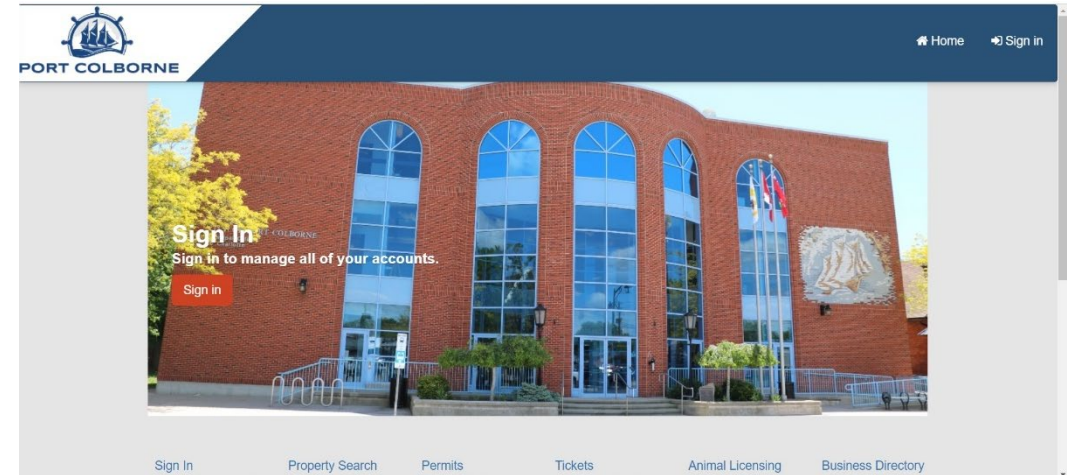


Virtual City Hall – Home page

Citizens can access the Virtual City Hall platform from the City's Website.

The home page is branded with the look and feel of the City's website to help keep consistency and user readability.

On the home page Citizens can sign-up for an account or select modules that are linked to the City's website and the Virtual City Hall platform.

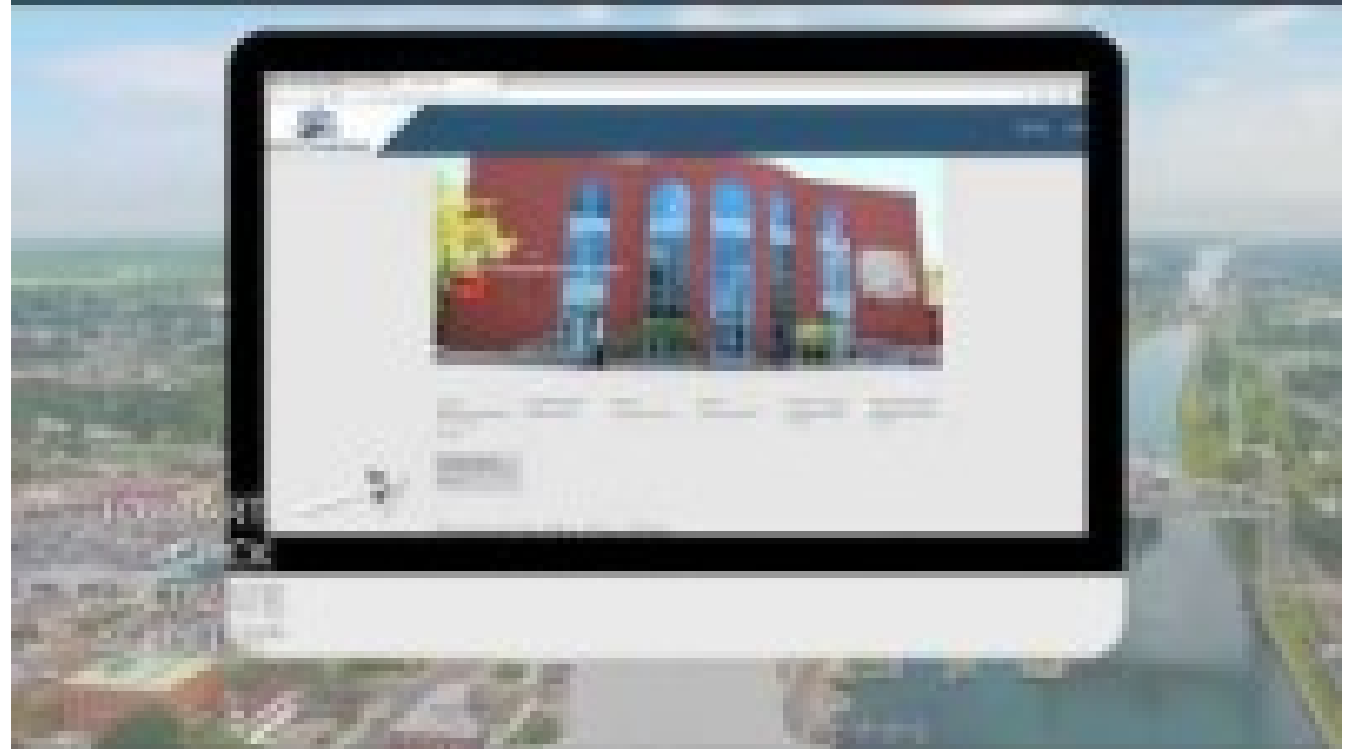


Activating an Account

Citizens can activate an account by providing specific account information that is located on their property and utility statements.

Citizens will be asked to create their own username and password and provide a valid email address to activate their account with the platform.

The platform is directly tied to the City's financial software and will allow citizens to make changes, payments and view their account information all in real time.



https://youtu.be/cnAmwPUj_Ec

Making a Payment

Citizens can make a full or partial payment to their water and property tax bill with a credit card by logging into the Virtual City Hall platform.

(a convenience fee will be charged for any online payments made with a credit card through the thirdparty merchant Paymentus)



<https://youtu.be/6RwihneIXIE>

Signing up for Paperless Billing

Citizens can choose to go paperless at the click of a button when they log-in to their Virtual City Hall account.

Paperless billing is a great way to assist with our impact on the environment and to reduce the costs associated with processing / mailing statements to the citizens property address.

We will be offering a one-time credit for citizens who choose to have their statements emailed to them. The end date of the incentive will be February 28, 2022



<https://youtu.be/QLwUB-YZglc>



PORT COLBORNE

Highlights

- Citizens can log-in 24 hours a day / 7 days a week to access their account information with the City in real time.
- Citizens can make partial or full payments with a credit card to their property and water statements.
- Citizens can sign up for paperless billing at the click of a button
- Citizens can change their mailing address and contact information that directly communicates with our Finance software.
- Citizens can view property information and view roll book information for assessment purposes online.
- Citizens can view all previous property and water statements for their account and see payments made.





Thank You



Subject: Purchasing Policy

To: Council

From: Corporate Services Department

Report Number: 2021-323

Meeting Date: December 13, 2021

Recommendation:

That Corporate Services Department Report 2021-323 be received; and

That the Purchasing Policy attached as Appendix A of Corporate Services Department Report 2021-323 be approved.

Purpose:

The purpose of this report is to introduce and approve a new Purchasing Policy for the City of Port Colborne.

Background:

The current Purchasing Policy was approved approximately four years ago through report 2017-92 on December 11, 2017.

As part of a process of regularly reviewing policies, Corporate Services in consultation with Public Works engaged The Procurement Office to review the City's Procurement Policy. Upon review, The Procurement Office, a firm that works with a significant number of municipalities and other public sector organizations, recommended the City move to a common policy template being adopted by other municipalities and other public sector organizations.

The new and proposed policy is attached as Appendix A – Purchasing Policy.

Discussion:

This policy was developed to support the City in obtaining competitive pricing for purchased goods and services in an efficient, timely and cost-effective manner. Current laws and regulations, including topics of local suppliers and the environment were taken into consideration.

The Purchasing Policy attached in Appendix A outlines “the City is committed to conducting its Procurement operations in accordance with the following principles:

- (a) compliance and consistency with applicable legislation, trade agreements, policies, and procedures;
- (b) open, fair, and transparent processes that afford equal access to all qualified Suppliers;
- (c) reciprocal non-discrimination and geographic neutrality with respect to its trading partners in accordance with trade treaty obligations;
- (d) achieving best value through consideration of the full range of Procurement formats and the adoption of commercially reasonable business practices;
- (e) effective balance between accountability and efficiency; and
- (f) ensuring adherence to the highest standards of ethical conduct.”

Some of the most salient differences between the proposed Purchasing Policy and the current Policy related to:

- Procurement dollar thresholds related to procurement methods (direct, invitation or open competition). The recommendations are specifically made to take into account the goals of the policy change as identified above. The current policy identifies:
 - Direct (also known as low value procurement thresholds) purchases as those purchases below \$5,000, the proposed policy sets this value at \$25,000 for goods and services and \$50,000 for construction.
 - Invitation (requiring 3 quotes) as \$5,000 to \$50,000, the proposed policy sets this value at \$25,000 to \$100,000 for goods and services and \$50,000 to \$250,000 for construction.
 - Open competition threshold (often following a request for proposal model or other related model) as \$50,000 or greater, the proposed policy sets this value at \$100,000 or greater for goods and services and \$250,000 or greater for construction.
- Procurement dollar thresholds related to Council involvement. In the current Purchasing Policy, Council approval is required for purchases ranging from \$50,000 to \$75,000 or higher, despite Council’s previous approval during the

budget process. This secondary approval can add one to two months to the procurement process. The new Purchasing Policy identifies no purchase can occur without available and approved budget. As developed, Council's approval will now focus on non-standard purchases that would otherwise be required to move through an open competition procurement policy. The threshold in the new policy for Council's involvement on goods and services is \$100,000 and for construction is \$250,000. Reasons for a non-standard purchase can be found on pages 79 and 80 of Appendix A – Purchasing Policy. This change recognizes Council manages procurement activity, including related risks, through the Purchasing Policy. The Procurement Office will attend Council as this report is presented to take questions, if any, on Council's role in the procurement process and any other questions Councillors may have regarding the proposed policy.

- Enhanced documentation and process mapping to support the different procurement methods. These can be seen in the various protocols attached to the policy.
- The ability to utilize a modern electronic bidding platform consistent with other municipal entities. The use of an electronic bidding platform will streamline processes, reduce internal administrative labour in the distribution and collection of bids, and encourage more competition on bidding processes.
- A new requirement to submit an annual summary of City procurement activities.

Internal Consultations:

This policy was developed with input from the City's departments. Corporate Services would like to provide a special thank you to the Director of Public Works for the leadership shown during this process.

Financial Implications:

The Purchasing Policy in Appendix A will support the City in obtain competitive pricing for purchased goods and services in an efficient, timely, and cost-effective manner.

Public Engagement:

Staff from the City's Procurement Office supported the development of this policy to ensure compliance with all laws and regulations.

Strategic Plan Alignment:

The initiative contained within this report supports the following pillar(s) of the strategic plan:

- Value: Financial Management to Achieve Financial Sustainability
-

Conclusion:

This report recommends that the Purchasing Policy in Appendix A of Corporate Services Report 2021-323 be approved.

Appendices:

- a. Appendix A – Purchasing Policy

Respectfully submitted,

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Report Approval:

All reports reviewed and approved by the Department Director and also the City Treasurer when relevant. Final review and approval by the Chief Administrative Officer.

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Procurement Manual

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PROCUREMENT POLICY

SECTION 1 – PURPOSE AND PRINCIPLES

1.1 Purpose

The purpose of this policy is to detail the principles, procedures, roles, and responsibilities for the City's Procurement operations.

1.2 Principles

The City is committed to conducting its Procurement operations in accordance with the following principles:

- (a) compliance and consistency with applicable legislation, trade agreements, policies, and procedures;
- (b) open, fair, and transparent processes that afford equal access to all qualified Suppliers;
- (c) reciprocal non-discrimination and geographic neutrality with respect to its trading partners in accordance with trade treaty obligations;
- (d) achieving best value through consideration of the full range of Procurement formats and the adoption of commercially reasonable business practices;
- (e) to encourage the procurement of goods and/or services with due regard to the preservation of the natural environment;
- (f) to promote, and incorporate wherever possible the procurement of goods and/or services, the requirements of the *Ontarians with Disabilities Act, 2001*, S.O. 2001, c. 32, as amended;
- (g) effective balance between accountability and efficiency; and
- (h) ensuring adherence to the highest standards of ethical conduct.

SECTION 2 – INTERPRETATION AND APPLICATION

2.1 Defined Terms

Terms used in this policy are defined in the Glossary of Terms (Schedule A).

2.2 Application

This policy applies to the Procurement of all Deliverables with the exception of the exclusions set out in Schedule B of this policy. Procurement includes the acquisition of Deliverables by purchase, rental, or lease.

This policy does not apply to:

- (a) Contracts or agreements relating to hiring of employees or employee compensation or reimbursement of employee expenses; or
- (b) Contracts or agreements for the sale, purchase, lease or license of land or existing buildings.

2.3 Authorization Schedule

The Authorization Schedule (Schedule D) sets out the authorities for:

- (a) initiating a procurement;
- (b) conducting a Procurement process and approving the award of a Contract;
- (c) issuing Purchase Orders and signing Contracts on behalf of the City; and
- (d) approving amendments to existing Contracts.

2.4 Procurement Protocols and Procedures

Procurement Services is responsible for developing and maintaining detailed protocols and procedures to support this policy. All procurements covered by this policy must be conducted in accordance with all applicable protocols and procedures.

2.5 Emergency Purchases

Notwithstanding any other provisions of this policy, where an emergency exists and prior approval of the Head of Procurement Services cannot be obtained, a Department Head, or their designate, may authorize any officer or employee to acquire required Deliverables in an expedited manner.

For the purposes of this policy, an emergency exists when an unforeseeable situation or event occurs that is a threat to any of the following:

- (a) public health and/or safety;
- (b) the maintenance of essential services;
- (c) the welfare of persons or public property; or
- (d) the security of the City's interests.

Situations of urgency resulting from the failure to properly plan for a Procurement do not constitute an emergency.

2.6 Co-operative Purchasing

The City may participate in co-operative or joint purchasing initiatives with other entities where such initiatives are determined to be in the best interests of the City. If the City participates in such co-operative

or joint purchasing initiatives, the City may adhere to the policies of the entity conducting the purchasing process, provided that such policies comply in spirit with this policy. If the City is leading a co-operative or joint purchasing initiative, this policy will be followed.

SECTION 3 – ETHICAL CONDUCT AND CONFLICTS OF INTEREST

3.1 Conduct and Conflicts of Interest

The City's Procurement activities must be conducted with integrity, and all individuals involved in the City's Procurement activities must act in a manner that is consistent with the principles and objectives of this policy and in accordance with the City's Code of Conduct.

All participants in a Procurement process, including any outside consultants or other service providers participating on behalf of the City, must declare any perceived, possible, or actual conflicts of interest.

"Conflict of interest," when applied to the activities of the City and its consultants or service providers, means a conflict or tension between one's private interests and one's public or fiduciary duties.

3.2 Supplier Conduct and Conflicts of Interest

The City requires its Suppliers to act with integrity and conduct business in an ethical manner.

All Suppliers participating in a Procurement process or providing Deliverables to the City must declare any perceived, possible, or actual conflicts of interest and must conduct themselves in accordance with the Supplier Code of Conduct in Schedule E of this policy.

The City may refuse to do business with any Supplier that has engaged in illegal or unethical bidding practices, has an actual or potential conflict of interest or an unfair advantage, or fails to adhere to ethical business practices.

SECTION 4 – ROLES AND RESPONSIBILITIES

4.1 Role and Responsibilities of the CAO

It is the role of the CAO to establish policy and approve expenditures through the City's budget-approval process. Through this policy, the CAO delegates to the City's officers and employees the authority to incur expenditures in accordance with approved budgets through the Procurement of Deliverables in accordance with the rules and processes set out in this policy and applicable protocols and procedures. The CAO may provide strategic direction and guidance on major projects prior to the commencement of the Procurement process; however, the CAO will not generally be involved in the day-to-day Procurement operations or individual Procurement processes, except to the extent that the approval of the CAO is required under this policy or in the event that an exception to this policy is required.

4.2 Roles and Responsibilities of Officers and Employees

Specific responsibilities pertaining to all stages of a Procurement process, from the initial identification of requirements through to the management of Contracts with Suppliers, are detailed in this policy and

applicable protocols and procedures. In addition to those specific responsibilities, the general roles and responsibilities delegated to the City's officers and employees are set out below.

4.2.1 Head of Procurement Services

It is the role of Procurement Services to lead the City's Procurement operations. In fulfilling this role, the Head of Procurement Services, or designate, is responsible for:

- (a) ensuring the consistent application of this policy and the provision of Procurement services to the Departments efficiently and diligently;
- (b) developing Procurement strategies and continually analyzing business requirements and spending patterns to identify opportunities for more strategic sourcing;
- (c) researching, developing, maintaining, updating, and communicating Procurement protocols, procedures, and templates;
- (d) addressing any issues or concerns that arise in respect of a Procurement process and seeking guidance, support, and advice of Legal Services, as required; and
- (e) providing appropriate orientation, training, and tools to employees involved in Procurement activities.

4.2.2 Department Heads

It is the role of the Departments to ensure that their requirements for Deliverables are met in accordance with the principles and objectives of this policy. In fulfilling this role, Department Heads are responsible for ensuring that their Department complies with this policy and all applicable protocols and procedures, encouraging sound Procurement practices and ensuring the provision of appropriate education and training to employees involved in Procurement activities.

Department Heads will be held accountable for any decision to proceed with a Procurement process or transaction that is not conducted in accordance with this policy or does not have the approval of Procurement Services.

4.2.3 Department Employees

Employees of all Departments are responsible for complying with this policy. Department employees involved in Procurement activities must understand their obligations and responsibilities under this policy and all applicable protocols and procedures, and they should consult with Procurement Services in respect of any questions regarding the application or interpretation of this policy or any relevant procedures.

4.2.4 Procurement Services Employees

Employees of Procurement Services are responsible for complying with this policy and ensuring this policy and all protocols and procedures are applied consistently. Procurement Services employees must understand their obligations and responsibilities under this policy and all applicable protocols and procedures, and they should consult with the Head of Procurement Services in respect of any questions regarding their application or interpretation.

4.2.5 Legal Services

It is the role of Legal Services to provide legal advice and assistance on the City's Procurement activities and its relationships with Suppliers. In fulfilling this role, Legal Services is responsible for:

- (a) advising the Head of Procurement Services as required on legal issues arising from Procurement activities and reviewing and approving specific Solicitation Documents and related documentation referred for legal review by the Head of Procurement Services;
- (b) providing advice on the finalization of Contracts and agreements and reviewing and advising on proposed changes to the City's standard terms and conditions, legal agreements, and Solicitation Document templates; and
- (c) providing legal advice and counsel to the City in the event of a Contract dispute or legal challenge flowing from a Procurement process.

4.3 Procurement Review Committee

The City will establish a Procurement Review Committee ("PRC") for the purpose of making determinations under:

- (a) the Non-Standard Procurement Protocol;
- (b) the Procurement Protest Protocol; and
- (c) the Supplier Suspension Protocol;

and for considering and providing input on other Procurement matters that may be referred to it by the Head of Procurement Services.

The PRC will include the Head of Procurement Services and at least two other senior-level officers or employees of the City. Legal Services will provide guidance and advice to the PRC, as required.

SECTION 5 – ESTABLISHMENT OF SUPPLY ARRANGEMENTS

5.1 Recurring Requirements

Before initiating a procurement, Departments must consider the availability of existing supply arrangements. If the Deliverables will be required on a frequent or regularly recurring basis, and there is no existing supply arrangement, the Department must consult with Procurement Services about the possibility of establishing a Standing Offer or Qualified Supplier Roster.

5.2 Standing Offers

Standing Offers may be established for standardized Deliverables to be purchased by all Departments, where:

- (a) the requirements for Deliverables are recurring and predictable over an extended period of time;

- (b) the requirements are standard and clearly defined at the time of establishment of the Standing Offer; and
- (c) it is possible to fix pricing for the Deliverables for the duration of the Standing Offer.

The establishment of a Standing Offer does not create a contractual commitment to procure Deliverables from the Supplier. The commitment to purchase against a Standing Offer is formed at the time a specific order is placed through the issuance of a Purchase Order to the Supplier.

The Head of Procurement Services is authorized to establish Standing Offers through an Open Competition. The Open Competition will be managed by Procurement Services, with the co-operation and involvement of subject-matter experts from the relevant Department(s). If multiple Standing Offers are established for the same goods or services, clear ranking methodologies and call-up procedures must be specified.

5.3 Qualified Supplier Rosters

Qualified Supplier Rosters may be established to prequalify Suppliers that will be eligible to compete for discrete work assignments involving the delivery of a particular type of Deliverables, as and when required.

The establishment of a Qualified Supplier Roster does not create a contractual commitment to procure Deliverables from any of the Suppliers. When Deliverables are required, a Roster Competition will be conducted for the purposes awarding a contract to one of the qualified Suppliers.

The Head of Procurement Services is authorized to conduct Open Framework Competitions to establish Qualified Supplier Rosters. The Open Framework Competition will be managed by Procurement Services, with the co-operation and involvement of the Department(s), in accordance with the Qualified Supplier Roster Protocol.

SECTION 6 – PROCUREMENT OF DELIVERABLES

6.1 Procurement Planning

Effective Procurement planning is essential to ensuring an effective result and to limiting risk to the City. Departments must ensure that they leave sufficient time to plan for a procurement, including time for:

- (a) developing proper specifications and business requirements;
- (b) obtaining internal reviews;
- (c) conducting a Competitive Process, as required; and
- (d) obtaining necessary approvals.

Departments must follow the Procurement Planning Protocol.

6.2 Market Research

Where the Department is uncertain about the Deliverables required or where there is insufficient internal knowledge about the market, the Department must consult with Procurement Services about conducting a Request for Information (“RFI”) process. An RFI process must be openly posted in order to gather market research from prospective Bidders. It must not be used as a prequalification tool.

6.3 Procurement Value

It is important to accurately estimate the value of the Procurement to determine the appropriate Procurement method and ensure compliance with the requirements of this policy. Departments must refer to the Procurement Planning Protocol for additional guidance on determining the Procurement Value.

6.4 Contract-Splitting

Subdividing, splitting or otherwise structuring Procurement requirements or contracts in order to reduce the value of the Procurement or in any way circumvent the requirements or intent of this policy is not permitted.

6.5 Initiating Procurement

Unless specifically permitted under this policy or the Procurement protocols or procedures, Departments are not permitted to procure Deliverables or engage with potential Suppliers regarding the Procurement of Deliverables without the involvement of Procurement Services. All procurements must be initiated in accordance with the Procurement Planning Protocol.

6.6 Procurement Authorization

Before any Procurement process begins, authorization of the Procurement and delegation of authority to procure must be obtained in accordance with the Authorization Schedule.

6.7 Standard Procurement Methods

Depending on the nature, value, and circumstances of the procurement, the City may procure Deliverables through the following standard Procurement methods. The various thresholds are set out in Schedule C of this policy.

6.7.1 Existing Supply Arrangement

6.7.1.1 Ordering from Standing Offer

When a Standing Offer is available, its use is mandatory for all Departments. To purchase from the Standing Offer, the Department can submit an authorized Purchase Order requisition to Procurement Services or order directly. A purchaser order referring to the Standing Offer details should be created and sent to the Supplier. The Purchase Order referencing the Standing Offer and reflecting the pre-negotiated prices and terms and conditions of the Standing Offer will be created and issued to the Supplier by the Head of Procurement Services.

6.7.1.2 Roster Competition

If the Deliverables are available under an existing Qualified Supplier Roster, they must be acquired through a Roster Competition.

Roster Competitions will be managed by Procurement Services, with the co-operation and involvement of the Department, in accordance with the Qualified Supplier Roster Protocol.

6.7.2 Low-Value Procurement

Where the Procurement Value is below the Low-Value Procurement Threshold and the Deliverables are not covered under an existing Standing Offer or Qualified Supplier Roster, Departments may make Low-Value Procurements without the involvement of Procurement Services.

It is the responsibility of the Department to determine if there is an existing Standing Offer or Qualified Supplier Roster for the required Deliverables before making a purchase. When available, the Deliverables must be purchased in accordance with the terms of the Standing Offer or in accordance with the Qualified Supplier Roster Protocol.

For Low-Value Procurements, the Department is only required to obtain one quote and may acquire the Deliverables using petty cash or a corporate purchasing card or by submitting a Purchase Order requisition to the Head of Procurement Services.

Where practical, departments are encouraged to obtain multiple quotes to ensure they are obtaining best value. Quotes may be obtained through advertisements or Supplier catalogues or by contacting the potential Supplier(s) by telephone or email.

The Department Head is responsible and accountable for Low-Value Procurements and may authorize specific individuals within the Department to make Low-Value Procurements and may assign specific spending authority limits.

If a Department anticipates making multiple Low-Value Procurements of the same Deliverables and the total value of those purchases may exceed the applicable Low-Value Procurement Threshold, the department must contact Procurement Services to discuss the possibility of setting up a Standing Offer or Qualified Supplier Roster.

Procurement Services is available to assist Departments with Low-Value Procurements, and Departments may request that Procurement Services conduct an Invitational Competition for any Low-Value Procurement.

6.7.3 Invitational Competition

An Invitational Competition, in which Bids are solicited from a minimum of three Suppliers, is the standard method of Procurement when the Procurement Value is between the Low-Value Procurement Threshold and the Open Competition Threshold.

Invitational Competitions will be managed by Procurement Services, with the co-operation and involvement of the Department, in accordance with the Invitational Competition Protocol.

Procurement Services may delegate the authority to conduct an Invitational Competition to a Department, on either a standing basis or a case-by-case basis. Where a Department has delegated authority to conduct an Invitational Competition, the Department Head is responsible and accountable for ensuring that the process is conducted in accordance with the Invitational Competition Protocol.

Open Competition may be conducted in lieu of an Invitational Competition, where the Head of Procurement Services, in consultation with the Department, determines that it would be in the City's best interest.

6.7.4 Open Competition

An Open Competition, in which Bids are solicited from all interested Suppliers through a publicly posted Solicitation Document, is the standard method of Procurement when the Procurement Value equals or exceeds the Open Competition Thresholds.

Open Competitions must also be used to establish Standing Offers if the value of Standing Offer is above Open Competitive Threshold unless there is an applicable Collaborative Agreement.

Open Competitions may include two-stage Procurement processes in which a prequalification process is conducted by soliciting and evaluating submissions from all interested Suppliers in order to establish a short list of prequalified Suppliers that will be eligible to submit a Bid in response to a second-stage Solicitation Document. A two-stage Procurement process may be used whenever determined appropriate by the Head of Procurement Services, in consultation with the Department.

Open Competitions will be managed by Procurement Services, with the co-operation and involvement of the Department, in accordance with the Open Competition Protocol.

6.8 Non-Standard Procurement

Non-Standard Procurement means the acquisition of Deliverables through a method other than the standard method for the type and value of the Deliverables, as set out above under Section 6.7.

Non-standard Procurement methods include:

- (a) acquiring Deliverables directly from a particular Supplier without conducting a Competitive Process when an Invitational Competition or an Open Competition would normally be required; and
- (b) soliciting Bids from a limited number of Suppliers without conducting an open prequalification process when an Open Competition would normally be required.

The use of a Non-Standard Procurement process is permitted only under the specific circumstances set out in the Non-Standard Procurement Protocol and must be approved in accordance with the Non-Standard Procurement Protocol.

Under no circumstances will a Non-Standard Procurement be used for the purpose of avoiding competition among Suppliers or in a manner that discriminates against or advantages Suppliers based on geographic location.

6.9 Contract Award and Finalization

Contracts must be awarded in accordance with this policy and the applicable protocol(s) governing the Procurement process and must be authorized in accordance with the Authorization Schedule.

A Contract may be entered into through the execution of a legal agreement and/or the issuance of a Purchase Order evidencing the contract. The Contract must be entered into prior to the delivery or provision of the Deliverables.

The Head of Procurement Services has delegated authority to issue Purchase Orders on behalf of the City. Agreements must be signed in accordance with the Authorization Schedule.

No Contract may be entered into, either through the issuance of a Purchase Order or the execution of an agreement, unless:

- (a) approved funding in an amount sufficient to cover the Procurement Value is available;
- (b) the Procurement process was conducted in accordance with this policy; and
- (c) applicable protocols and all required authorizations have been obtained.

SECTION 7 – SUPPLIER RELATIONS AND CONTRACT MANAGEMENT

7.2 Debriefings

Where the City has conducted an Open Competition, unsuccessful Suppliers may request a debriefing.

7.3 Procurement Protests

Suppliers may formally protest the outcome of a Procurement process, and will be managed by Procurement Services in a timely manner.

7.4 Contract Management

All contracts for Deliverables must be managed by the Department making the acquisition. Master Framework Agreements will be managed by Procurement Services in accordance with the Qualified Supplier Rosters Protocol.

7.5 Contract Extensions or Amendments

Contract extensions and amendments must not be used to expand a Contract beyond what was contemplated under the terms of the Contract and the original Procurement process or to circumvent the need to procure additional Deliverables through a Competitive Process in accordance with this policy.

During the course of a contract, additional work may arise that could not be anticipated during the project planning process. Contract amendments for adjustments to the scope of the Contract may be approved if the adjustment is for work that is directly connected or incidental to the original Contract scope.

The expansion or extension of a Contract to procure Deliverables that were not contemplated in the original Procurement is a Non-Standard Procurement and, if the total cumulative value of the additional Deliverables equals or exceeds the Open Competition Threshold, the Non-Standard Procurement must be approved in accordance with the Non-Standard Procurement Protocol. Where a Contract is amended or extended more than once, the total cumulative value of the additional Deliverables includes the value of all previously approved amendments and extensions and the value of the proposed amendment or extension.

If a Contract amendment results in a net increase to the Contract value previously approved, the amendment must be approved in accordance with the Authorization Schedule.

All amendments to an existing Contract must be appropriately documented. Legal Services should be consulted regarding all matters pertaining to Contract interpretation and application, and for any changes, extensions, renewals, or amendments required to be made to any executed contract.

7.6 Contract Disputes

All potential Contract disputes with Suppliers must be managed in accordance with the dispute resolution mechanisms outlined in the contract. Where a Contract is silent on dispute resolution, the Department should ensure that potential disputes are proactively managed and appropriately escalated. Written copies of all communications and correspondence with Suppliers concerning a Contract dispute must be maintained by the Department. A Contract can be terminated only prior to its expiry date with the involvement of Legal Services.

7.7 Supplier Performance

The performance of a Supplier under Contract must be monitored and tracked by the Department.

7.8 Supplier Suspension

Suppliers can be suspended from participating in future Procurement processes in accordance with debarment procedures that if used require the involvement of Legal Services and Procurement Services.

SECTION 8 – PROCUREMENT RECORD-KEEPING

8.1 Supplier Information

The City must ensure that Supplier information submitted in confidence in connection with a Procurement process or Contract is adequately protected. Procurement Services and the Departments must ensure that all Bids and contracts are kept in a secure location and are only accessible by those individuals directly involved with the Procurement or management of the contract.

8.2 Procurement Records

The maintenance, release, and management of all Procurement records must be in accordance with the City's policies and procedures on document management and access to information.

Procurement Services is responsible for ensuring that all documentation relating to a Procurement is properly filed and maintained in a Procurement project file. Documentation and reports regarding Procurement processes and Contract awards (including Non-Standard Procurements) and data necessary to trace the process conducted electronically must be maintained for a minimum period of at least three years from the Contract award date, or such longer period as may be required under the City's document management policies.

SECTION 9 – COMPLIANCE MONITORING AND REPORTING

9.1 Compliance Monitoring

Non-compliance with this policy may expose the City to the risk of Supplier complaints, reputational damage, Bid disputes, and legal challenges.

Department Heads are required to observe and address non-compliance with this policy within their Departments. Where instances of non-compliance are identified, the Department Head is expected to notify the Head of Procurement Services and obtain advice with respect to mitigating potential risks to the City arising from the non-compliance.

The Head of Procurement Services is responsible for monitoring compliance across the organization. Based on the results of compliance monitoring, reports outlining instances of non-compliance may be issued by the Head of Procurement Services to the relevant Department Head. The Department Head must address the identified compliance concerns and submit a written confirmation of actions taken to the Head of Procurement Services. Ongoing concerns with respect to compliance will be subject to internal audit.

9.2 Audit

All Procurement activities will be subject to audit by the Director Corporate Services / Treasurer.

9.3 Reporting

The Head of Procurement Services will prepare and submit to the CAO an annual report summarizing the City's Procurement activities, in those areas prescribed by the CAO and Director Corporate Services / Treasurer and recommended by Procurement Services.

SCHEDULE A – GLOSSARY OF TERMS

“Bid” means a submission in response to a Solicitation Document, and includes proposals, quotations, or responses.

“Bidder” means a Supplier that submits a Bid, and includes proponents and respondents.

“Chief Administrative Offer” (“CAO”) means the Officer that is responsible for the City.

“Collaborative Agreement” means a competitively procured purchase agreement that is available for use by the Boarder Public Sector.

“City” means the Corporation of the City of Port Colborne.

“Competitive Process” means the solicitation of Bids from multiple Suppliers.

“Contract” means a commitment by the City for the Procurement of Deliverables from a Supplier, which may be evidenced by an agreement executed by the Supplier and the City, or a Purchase Order issued by the City to the Supplier.

“Contract Administrator” means an employee assigned to the management of a Contract.

“Deliverables” means any goods, services, or construction, or combination thereof.

“Department” means the department of the City that is requiring the purchase of the Deliverables.

“Department Head” means an individual officer or employee who is responsible for a specific Department.

“Department Lead” means the Department employee assigned primary responsibility for a procurement.

“Disability” or “Disabilities” shall have the same meaning as set out in the *Ontarios with Disabilities Act, 2001*, or any successor legislation thereto;

“Director of Corporate Services / Treasurer” means the Officer that is responsible for Customer Services, Financial Services, Human Resources, Information Technology and Recreation. Procurement Services reports to Financial Services.

“Head of Procurement Services” means the individual officer or employee who is responsible for Procurement Services.

“Invitational Competition” means a Competitive Process in which an invitation to submit Bids is issued to at least three Suppliers.

“Legal Services” means the City’s legal advisors.

“Low-Value Procurement” means any Procurement of Deliverables with a value below the Low-Value Procurement Threshold set out in Schedule C, except where the Procurement is made through an existing Standing Offer or Qualified Supplier Roster.

“Low-Value Procurement Threshold” means the maximum value for a Procurement of Deliverables that the City may procure without proceeding with an Open Competition.

“Master Framework Agreement” means a master agreement entered into between the City and the prequalified Suppliers that have been included on a Qualified Supplier Roster.

“Non-Standard Procurement” means the acquisition of Deliverables through a process or method other than the standard method required for the type and value of the Deliverables. Non-standard Procurement methods include:

- (a) acquiring Deliverables directly from a particular Supplier without conducting a Competitive Process when an Invitational Competition or an Open Competition would normally be required; and
- (b) soliciting Bids from a limited number of Suppliers without conducting an open prequalification process when an Open Competition would normally be required.

“Open Competition” means the solicitation of Bids through a publicly posted Solicitation Document.

“Open Competition Threshold” means the minimum value for a Procurement of that the City must procure using an Open Competition.

“Open Framework Competition” means the Competitive Process used to establish a Qualified Supplier Roster and provide for an ongoing application process during the term of the Qualified Supplier Roster, as further described in the Qualified Supplier Rosters Protocol.

“Performance Evaluation Report” means a report evaluating a Supplier’s performance in accordance with the Supplier Performance Evaluation Protocol, and includes both Interim and Final Performance Evaluation Reports.

“Procurement” means the acquisition of Deliverables by purchase, rental, or lease.

“Procurement Plan” means the plan developed by a Department at the outset of an Invitational Competition or Open Competition in accordance with the Competitive Procurement Planning Protocol.

“Procurement Review Committee” (“PRC”) means the committee established by the City under the Procurement Policy for the purposes of considering and making determinations on procurement-related matters, including determinations under the Non-Standard Procurement Protocol, the Procurement Protest Protocol, and the Supplier Suspension Protocol.

“Procurement Services” means the branch, department, division, or unit responsible for purchasing Deliverables for the City.

“Procurement Value” means the maximum total value of the Deliverables being procured, and it must include all costs to the City, including, as applicable, acquisition, maintenance, replacement, and disposal; training, delivery, and installation; and extension options, less applicable rebates or discounts and exclusive of sales taxes.

“Purchase Order” means the City’s written document issued by a duly authorized employee of the City to a Supplier formalizing all the terms and conditions of the purchase and supply of the Deliverables identified on the face of the Purchase Order.

“Purchasing Card” means a credit card provided by the City to authorized officers and employees for use as a payment method to purchase directly from Suppliers where permitted under the Procurement Policy and in accordance with any cardholder agreement and applicable procedures.

“Qualified Supplier Roster” means a list of Suppliers that have participated in and successfully met the requirements of a Request for Supplier Qualifications (“RFSQ”) and have therefore been prequalified to perform discrete work assignments involving the delivery of a particular type of deliverable. The Suppliers that qualify for inclusion on the Qualified Supplier Roster will enter into a Master Framework Agreement and will be eligible to participate in Roster Competitions, as and when the goods or services are required.

“Request for Information” or “RFI” means a market research initiative for the collection of data for the purposes of future Procurement planning.

“Roster Competition” means an expedited, invitational competition between Suppliers that have been included on a Qualified Supplier Roster for the selection of a Supplier to perform a discrete work assignment during the term of the roster.

“Solicitation Document” means the document issued by the City to solicit Bids from Bidders.

“Standing Offer” means a written offer from a pre-approved Supplier to supply Deliverables to the City, upon request, through the use of an ordering process during a particular period of time, at a predetermined price or discount, within a predefined dollar limit. The Standing Offer does not create a contractual commitment from either party for a defined volume of business. The commitment to purchase against a Standing Offer is formed at the time a specific order is placed through the issuance of a Purchase Order to the Supplier.

“Supplier” means a person carrying on the business of providing Deliverables.

“Total Cumulative Increase” means the total value of all increases to the original Procurement Value, including the value of all previously approved amendments and the value of the proposed amendment.

SCHEDULE B – EXCLUSIONS

1. Excluded Acquisitions and Expenditures

- (a) This policy does not apply to Contracts or agreements for the sale, purchase, lease, or licence of land or existing buildings.
- (b) This policy does not apply to the acquisition of the following Deliverables:
 - i. services provided by licensed lawyers or notaries;
 - ii. services of expert witnesses or factual witnesses used in court of legal proceedings;
 - iii. goods intended for resale to the public;
 - iv. goods purchased on a commodity market;
 - v. works of art; and
 - vi. subscriptions to newspapers, magazines, or other periodicals.
- (c) This policy does not apply to Contracts or agreements relating to hiring of employees or employee compensation or reimbursement of employee expenses.
- (d) This policy does not apply to payment of the City's general excluded expenses, such as:
 - i. WSIB Remittance
 - ii. Banking Services
 - iii. Physician Expenses

SCHEDULE C – PROCUREMENT THRESHOLDS

Table 1 – Low-Value Procurement Thresholds

Goods	Below \$25,000
Services	Below \$25,000
Construction	Below \$50,000

Table 2 – Invitational Competition Thresholds

Goods	\$25,000 to \$100,000
Services	\$25,000 to \$100,000
Construction	\$50,000 to \$250,000

Table 3 – Open Competition Thresholds

Goods	\$100,000 and above
Services	\$100,000 and above
Construction	\$250,000 and above

SCHEDULE D – AUTHORIZATION SCHEDULE

A. STANDARD PROCUREMENT

Table 1 – Table of Authority

Procurement Method	Authorize Procurement	Delegated Authority to Procure
Order from Existing Standing Offer	Department Head	Department Lead
Roster Competition < \$100K	Department Head	Department Lead and Head of Procurement Services
Roster Competition ≥ \$100K	Director of Corporate Services / Treasurer	Department Head and Head of Procurement Services
Low-Value Procurement	Department Head or designate	Department Lead
Invitational Competition	Department Head	Department Lead and Head of Procurement Services
Open Competition < \$1M	Director of Corporate Services / Treasurer	Department Head and Head of Procurement Services
Open Competition ≥ \$1M	CAO	Department Head and Director of Corporate Services / Treasurer

1. Authorization Process

- (a) The Department Lead completes the Procurement Authorization Form and submits it to the Department Head.
- (b) The Department Head reviews and approves the Procurement Authorization Form.
- (c) If the Procurement Value is less than \$100,000, the Department Head may authorize the Procurement and delegate the authority to procure in accordance with the table above.
- (d) If the Procurement Value is equal to or greater than \$100,000, the Department Head submits the Procurement Authorization Form to the Director of Corporate Services / Treasurer or CAO, in accordance with the table above. The Director of Corporate Services / Treasurer or CAO authorize the Procurement and delegate the authority to procure in accordance with the table above.
- (e) No Procurement may be authorized unless sufficient funding is available in an approved budget, unless authorized by CAO.

2. Delegated Authority to Procure

The delegation of authority to procure includes the authority to:

- (a) conduct the Procurement process in accordance with this policy and applicable protocols.
- (b) approve the Procurement document(s) for a Competitive Process;
- (c) approve the selection of qualified Bidders in a multi-stage Open Competition;
- (d) approve the establishment of qualified Supplier rosters in an Open Framework Competition; and
- (e) approve the award of the Contract.

3. Conditions of Delegated Authority to Procure

Delegated authority to procure is subject to the following conditions:

- (a) No Procurement may be initiated unless approved funding in an amount sufficient to cover the Procurement Value is available.
- (b) In the case of a multi-stage Open Competition or an Open Framework Competition, qualified Bidders are selected in accordance with the evaluation and selection process set out in the Solicitation Document.
- (c) No Contract award may be approved unless:
 - i. sufficient funding is available in an approved budget;
 - ii. the Procurement process was conducted through the standard Procurement method, as determined in accordance with this policy;
 - iii. the Procurement process was conducted in accordance with this policy and all applicable protocols; and
 - iv. in the case of a Competitive Process, the Contract is awarded to the top-ranked Bidder, as determined in accordance with the evaluation and selection process set out in the Solicitation Document.

Where the authority to procure is delegated to multiple individuals, all those individuals must be satisfied that the above conditions of delegated authority are met.

4. CAO Authority

If any of the applicable conditions of delegated authority are not met, CAO approval must be obtained before proceeding with any Procurement activity.

B. NON-STANDARD PROCUREMENT**Table 2 – Table of Authority**

Procurement Value	Authorize Procurement	Delegated Authority to Procure
< Open Competition Threshold	Director of Corporate Services / Treasurer and CAO	Department Head, Head of Procurement Services and PRC
≥ Open Competition Threshold	Council	Department Head, Head of Procurement Services, PRC, Director of Corporate Services / Treasurer and CAO

1. Authorization Process

- (a) The Department Lead completes the Non-Standard Procurement Authorization Form and submits it to the Department Head.
- (b) The Department Head reviews and approves the Non-Standard Procurement Authorization Form.
- (c) If the Procurement Value is less than the applicable Open Competition Threshold, the Department Head submits the Non-Standard Procurement Authorization Form to the PRC. The PRC reviews and addresses any concerns with the Department Head.
- (d) If the Procurement Value is equal to or greater than the applicable Open Competition Threshold, the PRC and the Department Head submits a report to Council for authority to proceed with the procurement. Council may authorize the Procurement and delegate the authority to procure to the Department Head.
- (e) No Procurement may be authorized unless sufficient funding is available in an approved budget, unless authorized by the CAO.

2. Delegated Authority to Procure

In the case of a Non-Standard Procurement, the delegation of authority to procure includes the authority to negotiate and finalize the Contract with the selected Supplier.

No Contract may be finalized unless sufficient funding is available in an approved budget.

C. CONTRACT ISSUANCE OR EXECUTION

1. Authorized Signatories

The Head of Procurement Services has delegated authority to issue Purchase Orders on behalf of the City.

The following individuals have delegated authority to execute legal agreements on behalf of the City:

Table 3 – Authorized Signatories

Procurement Value	Authorized Signatory
< \$25,000 (Goods & Services)	Department Head
< \$50,000 (Construction)	Department Head
≥ \$25,000 & < \$100,000 (Goods and Services)	Department Head; and Director of Corporate Services / Treasurer or Director of Public Works
> \$50,000 < \$250,000 (Construction)	Note: if Director of Corporate Services / Treasurer is also Department Head then CAO authorizes.
≥ \$250,000	Department Head and CAO

2. Review and Execution Process

In accordance with the delegated authority to procure, the authorized individual(s):

- (a) approves the award of the Contract;
- (b) confirms all pre-conditions of award are met;
- (c) assembles all Contract documents;
- (d) provides the Contract documents to Legal Services for review;
- (e) Legal Services reviews all contracts greater than the applicable Open Competition Threshold;
- (f) The agreement is signed by the Authorized Signatory.

3. Pre-Approval of Standard Term Contracts

- (a) Legal Services may approve standard term Contract documents, including Purchase Order terms, standard forms of agreement, and supplementary terms and conditions for use in specified circumstances and subject to established conditions.

Where pre-approved standard term Contract documents are used in accordance with specified circumstances and established conditions, and without modification to any terms and conditions,

the Head of Procurement Services may issue the Purchase Order and the Authorized Signatory may sign the agreement without further review by Legal Services.

D. CONTRACT AMENDMENTS

Table 4 – Table of Authority if Total Cumulative Increase is Less Than 20% of Original Procurement Value

Total Cumulative Increase	Authorize Amendment
< Open Competition Threshold	Department Head
≥ Open Competition Threshold	PRC

Table 5 – Table of Authority if Total Cumulative Increase is Equal to or More Than 20% of Original Procurement Value

Total Cumulative Increase	Authorize Amendment
< Open Competition Threshold	CAO
≥ Open Competition Threshold	Council

Total Cumulative Increase means the total value of all increases to the original Procurement Value, including the value of all previously approved amendments and the value of the proposed amendment.

1. Authorization Process

- (a) The Contract Administrator completes the Contract Amendment Authorization Form.
- (b) If the Procurement Value is less than the applicable Open Competition Threshold, the Contract Administrator obtains the appropriate authority based on the above tables. If the amendment must be authorized by the CAO, the Contract Amendment Authorization Form must first be approved by the Department Head.
- (c) If the Total Cumulative Increase is equal to or greater than the applicable Open Competition Threshold, the Contract amendment must be treated as a Non-Standard Procurement and the Contract Amendment Authorization Form must be reviewed by the PRC. The PRC reviews and addresses any concerns with the Department Head. Once any concerns have been resolved or noted on the Contract Amendment Authorization Form, the PRC submits the Form to the appropriate authority based on the above tables.
- (d) No Contract amendment may be authorized unless sufficient funding is available in an approved budget, unless authorized by the CAO.

SCHEDULE E – SUPPLIER CODE OF CONDUCT

The City requires its Suppliers to act with integrity and conduct business in an ethical manner. The City may refuse to do business with any Supplier that has engaged in illegal or unethical bidding practices, has an actual or potential conflict of interest or an unfair advantage, or fails to adhere to ethical business practices.

Suppliers are responsible for ensuring that any employees, representatives, agents, or subcontractors acting on their behalf conduct themselves in accordance with this Supplier Code of Conduct. The City may require the immediate removal and replacement of any individual or entity acting on behalf of a Supplier that conducts themselves in a manner inconsistent with this Supplier Code of Conduct. The City may refuse to do business with any Supplier that is unwilling or unable to comply with such requirement.

A. ILLEGAL OR UNETHICAL BIDDING PRACTICES

Illegal or unethical bidding practices include:

- (a) bid-rigging, price-fixing, bribery or collusion, or other behaviours or practices prohibited by federal or provincial statutes;
- (b) offering gifts or favours to the City's officers, employees, appointed or elected officials, or any other representative of the City;
- (c) engaging in any prohibited communications during a Procurement process;
- (d) submitting inaccurate or misleading information in a Procurement process; and
- (e) engaging in any other activity that compromises the City's ability to run a fair Procurement process.

The City will report any suspected cases of collusion, bid-rigging, or other offences under the *Competition Act* to the Competition Bureau or to other relevant authorities.

B. CONFLICTS OF INTEREST

All Suppliers participating in a Procurement process must declare any perceived, possible, or actual conflicts of interest.

The term "conflict of interest," when applied to Suppliers, includes any situation or circumstance where:

- (a) in the context of a Procurement process, the Supplier has an unfair advantage or engages in conduct, directly or indirectly, that may give it an unfair advantage, including but not limited to:
 - i. having, or having access to, confidential information of the City that is not available to other Suppliers;
 - ii. having been involved in the development of the Procurement document, including having provided advice or assistance in the development of the Procurement document;

- iii. receiving advice or assistance in the preparation of its response from any individual or entity that was involved in the development of the Procurement document;
 - iv. communicating with any person with a view to influencing preferred treatment in the Procurement process (including but not limited to the lobbying of decision-makers involved in the Procurement process); or
 - v. engaging in conduct that compromises, or could be seen to compromise, the integrity of an open and competitive Procurement process or render that process non-competitive or unfair; or
- (b) in the context of performance under a potential Contract, the Supplier's other commitments, relationships, or financial interests:
- i. could, or could be seen to, exercise an improper influence over the objective, unbiased, and impartial exercise of its independent judgment; or
 - ii. could, or could be seen to, compromise, impair, or be incompatible with the effective performance of its contractual obligations.

Where a Supplier is retained to participate in the development of a Solicitation Document or the specifications for inclusion in a Solicitation Document, that Supplier will not be allowed to respond, directly or indirectly, to that Solicitation Document.

C. ETHICAL BUSINESS PRACTICES

In providing Deliverables to the City, Suppliers are expected to adhere to ethical business practices, including:

- (a) performing all Contracts in a professional and competent manner and in accordance with the terms and conditions of the Contract and the duty of honest performance;
- (b) complying with all applicable laws, including safety and labour codes (both domestic and international as may be applicable); and
- (c) providing workplaces that are free from harassment and discrimination.

Procurement Planning Protocol

1. Purpose and Interpretation

The purpose of this protocol is to assist Departments in planning for a Procurement process. Defined terms used in this protocol have the meaning assigned in the Glossary of Terms (Schedule A) in the Procurement Policy.

2. Determining Requirements

The Department must clearly identify what is to be procured. A concise initial mapping statement describing the required Deliverables will be used to develop clear business requirements and detailed specifications.

3. Market Research

If the Department is uncertain about the Deliverables required or if there is insufficient internal knowledge about the market, the Department must consult with Procurement Services about conducting a Request for Information (“RFI”) process.

4. Supply Arrangements for Recurring Requirements

Before initiating a procurement, Departments must consider the availability of existing supply arrangements, as described below.

If the Deliverables will be required on a frequent or regularly recurring basis, and there is no existing supply arrangement, the Department must consult with Procurement Services about the possibility of establishing a Standing Offer or Qualified Supplier Roster.

5. Determining Procurement Value

The Department must accurately estimate the value of the procurement.

The Procurement Value means the maximum total value of the Procurement over the entire duration of the Contract, whether awarded to one or more Suppliers, taking into account all forms of remuneration, including:

- (a) all premiums, fees, commissions, and interest; and
- (b) the total value of all possible options, including any options for renewal or extension of the term of the Contract (for example, a two-year Contract with an option to renew for an additional one-year period) and any options to purchase additional Deliverables (for example, the Contract is for the initial purchase of two pieces of equipment with an option to purchase up to an additional four pieces of equipment during the term of the Contract) or any potential add-ons or upgrades that may be provided under the Contract.

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The total value must include all costs to the City for all goods and services to be supplied under the Contract(s), including, if applicable, delivery, installation, training, operation, maintenance, replacement, and disposal, but excluding applicable sales taxes.

If multiple Contracts are entered into for the same Deliverables, the Procurement Value is the total value of all the Contracts for the same Deliverables entered on an annual basis.

In estimating the Procurement Value, Departments are strongly encouraged to err on the side of caution and ensure that the Procurement is appropriately streamed. For example, if it is foreseeable that all Bids may come in over the Open Competition Thresholds, an Open Competition should be used. Failure to accurately estimate the Procurement Value may result in situations where an inappropriate Procurement method is used, potentially resulting in the need to cancel the Procurement process and a significant delay in the acquisition of the required Deliverables.

If the Department is unsure how to determine the value of a particular procurement, it must consult with Procurement Services. Dividing procurements or using valuation methods with the intention of reducing the Procurement Value is strictly prohibited.

6. Approved Budget

Before initiating a procurement, the Department must ensure that sufficient funding is available from an approved funding source.

7. Procurement Method and Process for Initiation

Different types of Procurement processes may be used depending on the nature, value, and circumstances of the procurement. Departments are not permitted to procure Deliverables or engage with potential Suppliers regarding the Procurement of Deliverables without the involvement of Procurement Services, unless:

- (a) the table below specifies that the involvement of Procurement Services is not required; or
- (b) the Head of Procurement Services has expressly authorized the Department to proceed without the involvement of Procurement Services.

The table set out below must be used to identify the appropriate Procurement method and the process for initiating the Procurement process.

Procurement Method	Initiation of Procurement
Low-Value Procurement: Procurement Value is below the Low-Value Procurement Threshold and the Deliverables are not available under an existing Standing Offer or Qualified Supplier Roster	Involvement of Procurement Services is not required. Refer to Section 6.7.2 of the Procurement Policy

Procurement Method	Initiation of Procurement
<p>Order from existing Standing Offer: Deliverables are available under an existing Standing Offer</p>	<p>Complete the Procurement Authorization Form in Appendix A and submit to Procurement Services. Upon receipt of the Procurement Authorization Form, Procurement Services will place the order through the issuance of a Purchase Order.</p>
<p>Roster Competition: Deliverables are available under an existing Qualified Supplier Roster</p>	<p>Complete the Procurement Authorization Form in Appendix A and submit to Procurement Services. Upon receipt of the Procurement Authorization Form, Procurement Services will contact the Department Lead to discuss the requirements and confirm the appropriate process in accordance with the Qualified Supplier Roster Protocol.</p>
<p>Invitational Competition: Procurement Value is within the Invitational Competition Thresholds set out in Schedule C of the Procurement Policy and the Deliverables are not available under an existing Standing Offer or Qualified Supplier</p>	<p>Complete the Procurement Authorization Form in Appendix A and submit to Procurement Services. Upon receipt of the Procurement Authorization Form, Procurement Services will contact the Department Lead to discuss the requirements and, if necessary, schedule a planning meeting. The Department should complete the Procurement Plan for Invitational Competition, as described below in Section 8, and consult with Procurement Services, as required.</p>
<p>Open Competition: Procurement Value is equal to or exceeds the Open Competition Threshold set out in Schedule C of the Procurement Policy and the Deliverables are not available under an existing Standing Offer or Qualified Supplier</p>	<p>Complete the Procurement Authorization Form in Appendix A and submit to Procurement Services. Upon receipt of the Procurement Authorization Form, Procurement Services will contact the Department Lead to schedule a planning meeting. The Department Lead should begin preparing the information required to complete the Procurement Plan for Open Competition, as described below in Section 8. The Department must work with Procurement Services to complete the Procurement Plan.</p>
<p>Non-Standard Procurement: A Non-Standard Procurement is justified in accordance with the Non-Standard Procurement Protocol</p>	<p>Follow the Non-Standard Procurement Protocol and complete the Non-Standard Procurement Authorization Form in Appendix A of the Non-Standard Procurement Protocol to obtain authority to initiate the procurement.</p>

8. Detailed Procurement Plan for Competitive Process

The Department is responsible for developing a detailed Procurement Plan for all Competitive Processes. It must complete Procurement Plan for Invitational Competition (Appendix B) or Procurement Plan for Open Competition (Appendix C).

The Procurement Plan must be reviewed and approved by Procurement Services before the Solicitation Document can be assembled. Departments are strongly encouraged to consult with and involve Procurement Services during the development of the Procurement Plan to avoid unnecessary delay in the review and approval process.

Detailed Procurement planning is focused on five key design planning questions:

8.1 What Are We Buying?

(a) Requirements and specifications: The Department is responsible for drafting clear, detailed business requirements and specifications that encourage open, fair, and transparent competition. Consult the Document Drafting Protocol for additional guidance in developing appropriate requirements and specifications.

(b) Material Disclosures: In order to solicit competitive and responsive pricing during a Competitive Process, it is essential that Bidders know all material information relating to the procurement. The Department's subject matter experts must provide all information that is material to the procurement, and they should consult the Document Drafting Protocol for additional guidance.

8.2 What Is the Pricing Structure?

The Department is responsible for developing a clear pricing structure. Consult the Document Drafting Protocol for a description of various pricing structures and the factors to consider in developing the appropriate pricing structure for the procurement.

8.3 What Is the Evaluation Plan?

The Department, in consultation with Procurement Services, is responsible for developing an evaluation plan. Consult the Document Drafting Protocol for a description of various evaluation methodologies and the factors to consider in developing the appropriate evaluation plan for the procurement.

8.4 What Are the Contract Terms? Can They Be Predefined, or Will Negotiation Be Needed?

The Department must consider whether or not all the Contract requirements and performance terms and conditions can be clearly defined in advance and incorporated into the call for Bids to permit the finalization of the Contract with the successful Bidder without negotiations. The Department should consult with Legal Services regarding the use of standard form Contracts.

8.5 What Is the Appropriate Form of Solicitation Document?

The Department and Procurement Services will determine the most appropriate Solicitation Document format. Departments should review the descriptions of the different formats that are set out in the

Format Selection Protocol and use the questionnaire and checklist included there to identify the appropriate Solicitation Document format for the procurement.

9. Major Projects

A major project is a Procurement that is of a value, complexity, risk level, or public profile that requires that it be given a significant allocation of attention and time from the Department and Procurement Services, as well as the potential involvement of other stakeholders.

When conducting a major project, Departments, in consultation with Procurement Services, must consider the following additional potential needs:

- (a) the retention of external advisors where there are insufficient internal resources to assist in developing specifications or business requirements;
- (b) the appointment of an internal project lead to co-ordinate input from multiple Departments or stakeholders;
- (c) the early involvement of Legal Services to ensure that all legal and risk considerations are appropriately addressed; and
- (d) the engagement of a fairness consultant where the major project is high profile or controversial or involves a particularly complex Supplier selection process.

APPENDIX A – PROCUREMENT AUTHORIZATION FORM

Department:	
Department Lead:	
Date:	

Estimated Procurement Value:	
Funding Source:	
Procurement Method:	<input type="checkbox"/> Existing Standing Offer <input type="checkbox"/> Roster Competition <input type="checkbox"/> Invitational Competition <input type="checkbox"/> Open Competition

Initial Mapping Statement

Describe the procurement. What is being purchased?

Background

Describe any relevant background information (for example, What gave rise to the need for the procurement? Is the Procurement part of a larger project? What is the history of the project? What stage is the project at?).

Market Research

Is further market research necessary to appropriately define the required Deliverables?

☐ No

☐ Yes

If yes, consult with Procurement Services about the issuance of a Request for Information ("RFI") prior to proceeding.

Existing Standing Offer or Qualified Supplier Roster

Is there an existing Standing Offer or Qualified Supplier Roster for the required Deliverables?

☐ No

☐ Yes

Repetitive Procurement

Are the Deliverables required on a frequent or regularly recurring basis?

For example, do you require the same Deliverables more than once a year or at regular intervals (for example, monthly or annually) or are you aware of other Departments that may require the same Deliverables?

☐ No

☐ Yes

Procurement Authorization

All Procurement Authorization Forms must be approved in accordance with the Authorization Schedule.

Authorized by the Department Head:	Signature: _____
	Name: _____
	Title: _____
	Date: _____

If authorization of the Procurement Review Committee is required, each member must sign below.

If authorization of CAO is required, the CAO approval must be attached.

Signature: _____

Name: _____

Title: _____

Date: _____

Signature: _____

Name: _____

Title: _____

Date: _____

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Signature: _____

Name: _____

Title: _____

Date: _____

APPENDIX B – PROCUREMENT PLAN FOR INVITATIONAL COMPETITION

Requirements and Specifications

Attach the detailed requirements and specifications for the required Deliverables. *Refer to the Document Drafting Protocol for guidance.*

Material Disclosures

Provide all material information relating to the Procurement that Bidders will need to know in order to submit a Bid. *Refer to the Document Drafting Protocol for guidance.*

Pricing Structure

Select the appropriate pricing structure. *Refer to the Document Drafting Protocol for guidance.*

- ☐ Lump sum
 - ☐ With adjustments
 - ☐ Without adjustments
- ☐ Unit prices
 - ☐ With adjustments
 - ☐ Without adjustments
- ☐ Time and materials
 - ☐ With upset limit
 - ☐ Without upset limit
- ☐ Budget-based set price
- ☐ Licence fees
- ☐ Life-cycle costing
- ☐ Other: _____

Evaluation Plan

Select the method of evaluation that will be used to select the successful Supplier. *Refer to the Document Drafting Protocol for guidance.*

- ☐ Price only: selection of lowest-priced compliant Bidder
- ☐ Evaluated criteria: selection of highest-scoring compliant Bidder

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What criteria should be considered in the evaluation? How much weight should each of the criteria be given (points out of 100)? What information should the Bidder provide for you to evaluate?

Criteria	Points Available	Information for Evaluation
Price		
Total	100	

☐ Other: _____

Contract Terms

What form of Contract will be used to Contract with the selected Bidder?

☐ City's standard form of agreement for _____.

☐ Industry Standard Contract or Lease Agreement

☐ A Purchase Order will be issued, and a legal agreement is not required.

Solicitation Document Format

Indicate the Solicitation Document format to be used.

The Invitational Request for Quotation ("RFQ") format is typically used for Invitational Competitions. If the Department Lead wishes to use a different format, please consult with Procurement Services.

☐ Invitational RFQ

☐ Other format: _____

Number of Suppliers

Indicate the number of Suppliers that will be invited to submit Bids.

A minimum of three Suppliers must be invited to submit Bids. If fewer than three Suppliers will be invited, it is a Non-Standard Procurement and the Non-Standard Procurement Protocol must be followed.

☐ Three

☐ Other number: _____

Selection of Suppliers to Participate

Explain how/why the particular Suppliers will be chosen to participate.

Method of Submitting Bids

Indicate the method by which Suppliers will be instructed to submit their Bids.

- ☐ Email
- ☐ Electronic Bid submission platform
- ☐ Mail / Courier delivery

Preliminary Schedule

Fill in estimated dates or time periods for the events below.

Issue Solicitation Document	
Bid Submission Deadline	
Evaluation Period	
Contract Award	
Contract Start Date	

APPENDIX C – PROCUREMENT PLAN FOR OPEN COMPETITION

The Department should begin preparation of the Procurement Plan for review and discussion with Procurement Services during the planning meeting(s). Procurement Services will work with the Department to finalize the Procurement Plan.

Requirements and Specifications

Are you able to precisely describe and prescribe all specifications or do you want Bidders to propose solutions?

- ☐ All specifications will be prescribed.
- ☐ Bidders will be asked to propose solutions.

Attach the requirements and specifications for the required Deliverables. Identify any mandatory technical requirements. *Refer to the Document Drafting Protocol for guidance.*

Material Disclosures

Provide all material information relating to the Procurement that Bidders will need to know in order to submit a Bid. *Refer to the Document Drafting Protocol for guidance.*

Pricing Structure

Select the appropriate pricing structure. *Refer to the Document Drafting Protocol for guidance.*

- ☐ Lump sum
 - ☐ With adjustments
 - ☐ Without adjustments
- ☐ Unit prices
 - ☐ With adjustments
 - ☐ Without adjustments
- ☐ Time and materials
 - ☐ With upset limit
 - ☐ Without upset limit
- ☐ Budget-based set price
- ☐ Licence fees
- ☐ Life-cycle costing
- ☐ Other: _____

Evaluation Plan

Do you want to proceed directly with the solicitation of Bids, or do you want to narrow the field of Suppliers through a prequalification process?

- ☐ Solicit Bids from all potential Suppliers.
- ☐ Prequalify the Suppliers that will be eligible to Bid.

Select the method of evaluation that will be used to select the successful Supplier. *Refer to the Document Drafting Protocol for guidance.*

- ☐ Price only – selection of lowest-priced compliant Bidder
- ☐ Evaluated criteria – selection of highest-scoring compliant Bidder

What criteria should be considered in the evaluation? How much weight should each of the criteria be given (points out of 100)? Do you want to require the Bidder to obtain a minimum score for all or certain criteria? What information should the Bidder provide for you to evaluate?

Criteria	Points Available	Minimum Score	Information for Evaluation
Price			
Total	100		

Contract Terms

How will the Contract with the selected Bidder be formed?

- ☐ Selected Bidder will be required to enter into predefined Contract.

All of the Contract requirements and performance terms and conditions can be clearly defined in advance and incorporated into the Solicitation Document to permit the finalization of the Contract with the successful Bidder without negotiations.

What form of Contract will be included in the Solicitation Document?

- ☐ City's standard form of agreement for _____.
- ☐ Customized form of agreement to be prepared by Legal Services.
- ☐ A Purchase Order will be issued, and a legal agreement is not required.

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☐ Contract will be finalized through negotiation with the selected Bidder.

There may be a need to negotiate some Contract requirements and performance terms and conditions to ensure that the final Contract is appropriately tailored to the proponent's proposed solution.

What form of Contract will be included in the Solicitation Document as a starting point for the negotiations?

☐ City's standard form of agreement for _____.

☐ Customized form of agreement or term sheet to be prepared by Legal Services.

Solicitation Document Format

Indicate the Solicitation Document format to be used. *Select the appropriate format using the Format Selection Protocol.*

☐ RFQ (Low Bid)

☐ RFQ (High Score)

☐ ITT

☐ No-Negotiation (Contract A) RFP

☐ Consecutive Negotiation (Rank and Run) RFP

☐ Concurrent Negotiation (Dialogue/BAFO) RFP

☐ RFSQ (Prequalification) followed by ITT

☐ RFSQ (Prequalification) followed by RFQ

☐ RFSQ (Prequalification) followed by No-Negotiation (Contract A) RFP

☐ RFSQ (Prequalification) followed by Negotiated RFP

☐ RFSQ (Roster Framework) followed by customized second-stage selection protocol

Preliminary Schedule

Fill in estimated dates or time periods for the events below.

Rows shaded in **blue** are completed only if conducting a two-stage process (for example, RFSQ followed by ITT, RFQ, or RFP). Rows shaded in **green** are completed only if conducting a Concurrent Negotiation (Dialogue/BAFO) RFP process.

Development of Solicitation Document	
Posting of Solicitation Document	

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Bid Submission Deadline	
Evaluation Period	
Selection of Prequalified Bidders	
Issuance of Second-Stage Solicitation Document	
Second-Stage Evaluation Period	
Selection of Short-Listed Proponents	
Concurrent Negotiations and Submission of BAFOs	
Evaluation of BAFOs	
Contract Negotiation (for Negotiated RFP only)	
Contract Award	
Contract Start Date	

Format Selection Protocol

1. Purpose and Interpretation

The purpose of this protocol is to provide assistance and direction for selecting the appropriate Solicitation Document format for a procurement. Defined terms used in this protocol have the meaning assigned in the Glossary of Terms (Schedule A) in the Procurement Policy.

2. Forms of Template Solicitation Documents

Procurement Services maintains a series of Solicitation Document templates. Forms of Solicitation Documents include the following:

- **Invitational Request for Quotations (“RFQ”)** – This format is for use in an Invitational Competition for the Procurement of goods, services, or construction where Bids will be solicited from a limited number of Suppliers, and the evaluation and ranking of Bidders will be based on either lowest price or the scoring of simple evaluation criteria.
- **Request for Quotations (“RFQ”) – Low-Bid Version** – This format is for use in a simplified Open Competition for the Procurement of standard goods, services, or construction on the basis of lowest price and standardized Contract terms that will not require negotiation.
- **Request for Quotations (“RFQ”) – High-Score Version** – This format is for use in an Open Competition for the Procurement of standard goods, services, or construction on the basis of straightforward high-score evaluation criteria and standardized Contract terms that will not require negotiation.
- **Invitation to Tender (“ITT”)** – This format is for use in an Open Competition for the Procurement of goods or construction where there is a need for legally binding, irrevocable Bids, typically supported by bid security, and price is the primary consideration. This format must include well-defined specifications, requirements, and Contract terms and conditions, as post-bid negotiations are not permitted.

When using the ITT format, it is strongly recommended that a prequalification process be conducted to ensure that only qualified Bidders are eligible to respond to the ITT. See below for information regarding the Request for Supplier Qualifications (“RFSQ”) – Prequalification Version.

- **No-Negotiation (Contract A) Request for Proposals (“RFP”)** – This format is for use in an Open Competition for the Procurement of goods, services, or construction where there is a need for legally binding, irrevocable Bids and where factors other than price will be evaluated. This format must include well-defined specifications, requirements, and Contract terms and conditions, as post-bid negotiations are not permitted.
- **Consecutive Negotiation (Rank and Run) Request for Proposals** – This format is for use in an Open Competition for the Procurement of goods, services, or complex construction projects where proposals will be ranked on price and non-price factors and the top-ranked proponent will be invited to negotiate the final Contract. The rules of the process provide that if the negotiations with the top-ranked proponent fail, the City can proceed to negotiate with the next-ranked proponent. This format allows for a more flexible process to encourage innovative and creative proposals that may help

inform the development of final specifications or performance terms through the negotiation of the final Contract with the selected proponent.

- **Concurrent Negotiation (Dialogue/Best and Final Offer (“BAFO”)) Request for Proposals** – This format is for use in an Open Competition for the Procurement of goods, services, or complex construction projects where proposals will be ranked on price and non-price factors to create a short-list of proponents that will be invited to engage in negotiations or discussions with the City prior to submitting a best and final offer (“BAFO”) for further evaluation and final ranking. This format allows for a more flexible process to encourage innovative and creative proposals and is particularly useful where the nature of the project may allow for a variety of potential approaches and solutions that the City could consider and use to refine the requirements prior to the submission of BAFOs and to the final ranking and selection of Bidders.
- **Request for Supplier Qualifications (“RFSQ”) – Prequalification Version** – This format is used to prequalify Suppliers in the first stage of a two-stage Open Competition. Bidders who meet the requirements of the RFSQ are eligible to participate in the second-stage Procurement process and are invited to respond to a subsequent Solicitation Document.
- **Request for Supplier Qualifications (“RFSQ”) – Roster Framework Version** – This format is for use in an Open Framework Competition to prequalify Suppliers that will be invited to compete in multiple second-stage Procurement processes for the same type of Deliverables. Those Suppliers that qualify in the first stage of the process will be invited to enter into Master Framework Agreements that will govern any future work assignments awarded to them.

3. Selection Factors

Key factors to consider in choosing the appropriate Solicitation Document format include:

- (a) value and complexity of the purchase;
- (b) whether bid security is required – irrevocable Bids and bid security should be required only where there are legitimate business reasons for doing so; and
- (c) whether Bidder responses may inform the final specifications or performance terms, and whether the final Contract will need to be negotiated with the top-ranked Bidder.

The ITT and the No-Negotiation RFP formats require Bidders to submit irrevocable Bids and give rise to a legally binding Procurement Contract called “Contract A.” Bids are considered irrevocable when the Solicitation Document requires that Bidders be bound to their Bid prices or that Bids remain open for acceptance for a fixed period of time. All terms of the purchase Contract (in other words, “Contract B”) must be included in the ITT and the No-Negotiation RFP and cannot be negotiated or amended after the closing deadline. When a Contract-A format is used, the risk to the City is greatly increased, and all employees involved in the Procurement project should ensure that they fully understand the City’s legal obligations when using these formats.

4. Selection Tools

Use the Format Selection Questionnaire (Appendix A) to assist with the selection of the appropriate format for the Procurement project. Use the Procurement Format Checklist (Appendix B) to confirm that

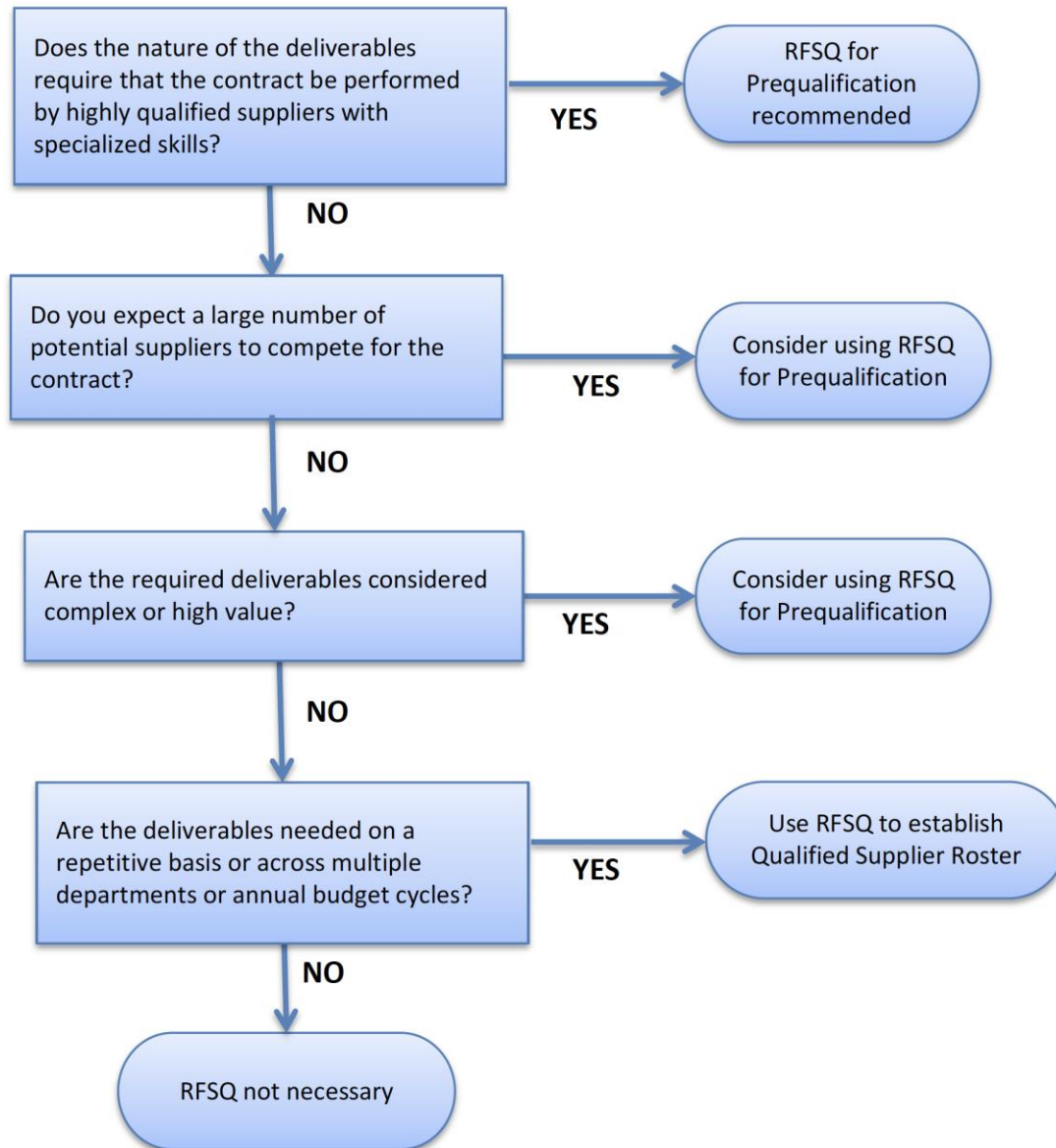
all requirements for the selected format apply to your Procurement project. If you cannot check off all items listed below the selected format, consult with Procurement Services for additional guidance and assistance in selecting the appropriate format.

5. Market Research Tool

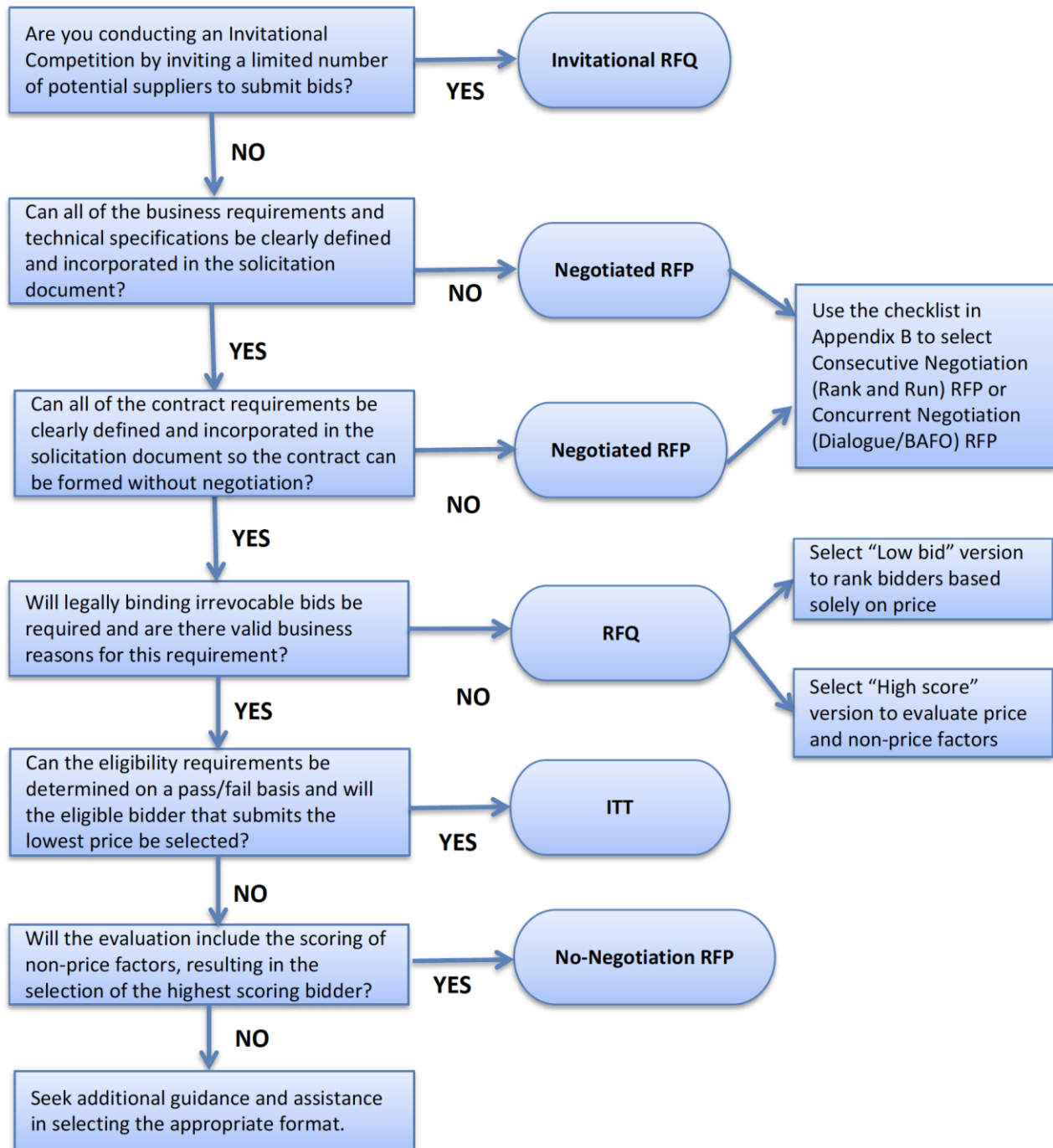
In addition to the various forms of Solicitation Documents used to conduct a Procurement process, Procurement Services maintains a Request for Information (“RFI”) template for the purpose of soliciting information about Deliverables and/or expressions of interest from Suppliers. This format is used to conduct a structured and transparent market-research and information-gathering process to obtain information from potential Suppliers regarding the types of goods and services available to meet the Department’s needs and to assess the interest in the marketplace in providing the Deliverables to the Department. This format is not intended to result directly in the Procurement of Deliverables, but rather to inform a future procurement, and must not be used to prequalify Bidders or restrict participation in a future competitive Procurement process.

APPENDIX A – FORMAT SELECTION QUESTIONNAIRE

Prequalification Process



Single-Stage or Second-Stage Process



APPENDIX B – PROCUREMENT FORMAT CHECKLIST

Invitational RFQ

- ☐ You are buying simple goods, services, or construction with a value below the Open Competition Thresholds.
- ☐ You will be conducting an Invitational Competition by inviting a limited number of potential Suppliers to submit Bids.
- ☐ The business requirements and technical specifications can be clearly defined in advance and incorporated into the Solicitation Document.
- ☐ The Contract requirements and performance terms and conditions are relatively straightforward and can be incorporated into the Solicitation Document to permit the finalization of the Contract with the successful Bidder without, or with only minor, negotiations.
- ☐ You will select either the lowest-priced Bidder meeting mandatory requirements or the highest-scoring Bidder based on a relatively simple evaluation of price and non-price factors.

Open RFQ

- ☐ You are buying simple goods, services, or construction through an Open Competition.
- ☐ The business requirements and technical specifications can be clearly defined in advance and incorporated into the Solicitation Document.
- ☐ The Contract requirements and performance terms and conditions are relatively straightforward and can be incorporated into the Solicitation Document to permit the finalization of the Contract with the successful Bidder without, or with only minor, negotiations.
- ☐ You will select either the lowest-priced Bidder meeting mandatory requirements (select the Low-Bid Version of the RFQ) or the highest-scoring Bidder based on a relatively simple evaluation of price and non-price factors (select the High-Score Version of the RFQ).

ITT

- ☐ You are buying goods or construction through an Open Competition.
- ☐ There are valid business reasons for requiring legally binding, irrevocable Bids, with or without bid security.
- ☐ You have straightforward eligibility requirements that can be determined on a pass/fail basis and will select the Bidder that meets the requirements and submits the lowest price.
- ☐ All of the business requirements and technical specifications can be clearly defined in advance and incorporated into the Solicitation Document.

- ☐ All of the Contract requirements and performance terms and conditions can be clearly defined in advance and incorporated into the Solicitation Document to permit the finalization of the Contract with the successful Bidder without negotiations.

Note: When using the ITT format, it is strongly recommended that a prequalification process be conducted to ensure that only qualified Bidders are eligible to respond to the ITT. See below for information regarding the RFSQ – Prequalification Version.

No-Negotiation RFP

- ☐ You are buying Deliverables through an Open Competition.
- ☐ There are valid business reasons for requiring legally binding, irrevocable Bids, with or without bid security.
- ☐ You will evaluate both price and non-price factors and will select the highest-scoring Bidder.
- ☐ All of the business requirements and technical specifications can be clearly defined in advance and incorporated into the Solicitation Document.
- ☐ All of the Contract requirements and performance terms and conditions can be clearly defined in advance and incorporated into the Solicitation Document to permit the finalization of the Contract with the successful Bidder without negotiations.

Consecutive Negotiation (Rank and Run) RFP

- ☐ You are buying goods, services, or complex construction projects through an Open Competition.
- ☐ Irrevocable Bids are not required.
- ☐ Detailed, innovative, or creative proposals are desired.
- ☐ You will evaluate both price and non-price factors and will rank proposals based on highest score.
- ☐ You may need to adapt the final specifications and/or performance terms based on the successful proposal.
- ☐ There may be a need to negotiate some terms of the final Contract to ensure that they are appropriately tailored to the proponent's proposed solution.
- ☐ You are able to include sufficiently detailed business requirements and technical specifications in the Solicitation Document to allow proponents to propose fully developed solutions and complete pricing proposals at the submission deadline.
- ☐ You prefer to engage in negotiations with only the top-ranked proponent.
- ☐ You will only engage in negotiations with the next-ranked proponent if negotiations with the top-ranked proponent are unsuccessful.

Concurrent Negotiation (Dialogue/BAFO) RFP

- ☐ You are buying goods, services, or complex construction projects through an Open Competition.

- ☐ Irrevocable Bids are not required.
- ☐ Detailed, innovative, or creative proposals are desired.
- ☐ You will evaluate both price and non-price factors and will rank proposals based on highest score.
- ☐ You may need to adapt the final specifications and/or performance terms based on the successful proposal.
- ☐ There may be a need to negotiate some terms of the final Contract to ensure that they are appropriately tailored to the proponent's proposed solution.
- ☐ A variety of different approaches and solutions could meet the project requirements, and the detailed scope of work and specifications may vary depending on the proposed solution.
- ☐ You would like to have an opportunity to engage in discussions with a short-list of high-scoring proponents to consider and better understand the various approaches and solutions that they have proposed and to ensure that the proponents fully understand your needs and requirements.
- ☐ You want to allow the short-listed proponents to develop and refine their proposed solutions and pricing proposals after those discussions through the submission of a BAFO.
- ☐ Based on the evaluation of the BAFOs, you will invite the top-ranked proponent to negotiate and finalize the Contract.

RFSQ – Prequalification Version

- ☐ You are buying goods, services, or construction through a two-stage Open Competition.
- ☐ You want to ensure that potential Bidders are sufficiently competent, qualified, and experienced to undertake and successfully complete the project prior to inviting them to Bid on the detailed requirements and specifications of the project.
- ☐ You expect that a large number of potential Suppliers may want to compete for the Contract, and you want to narrow the field prior to soliciting Bids.
- ☐ You will set a limit on the number of eligible Bidders or a minimum threshold score that must be achieved before a potential Supplier will be considered eligible to participate in the second-stage competition.

RFSQ – Roster Framework Version

- ☐ You require the same type of goods, services, or construction on a regular and recurring basis over a period of time.
- ☐ You want to be able to obtain quotes quickly and efficiently from qualified Suppliers that are able to provide the required goods, services, or construction in accordance with established and agreed-upon general Contract terms and conditions.

Document Drafting Protocol

1. Purpose and Interpretation

The purpose of this protocol is to provide assistance, direction, and suggestions for preparing Procurement plans and Solicitation Documents, including guidelines for developing specifications and selecting the appropriate evaluation methodology and pricing structure. Defined terms used in this protocol have the meaning assigned in the Glossary of Terms (Schedule A) in the Procurement Policy.

2. General Drafting Principles

These general principles should be considered in drafting the Procurement plan and the Solicitation Document:

- (a) Plain and clear language should be used, and technical jargon and vague terms should be avoided.
- (b) Where technical terms or specifications are required, they should be set out in a separate section or schedule to the document.
- (c) Avoid creating too many defined terms. Defined terms should only be used where (i) the meaning is not clear from a plain reading; and (ii) the term is used throughout the document. Use defined terms consistently throughout the document. Do not capitalize terms that are not defined.
- (d) Avoid repeating the same information in different sections of the document. If it is necessary to repeat information, ensure that it is repeated using the same language and terminology to avoid any inconsistencies or contradictions.
- (e) Avoid using acronyms that may not be understood by everyone. If the use of acronyms is necessary, spell them out in full the first time they are used in the document.
- (f) Ensure that Contract performance and other contractual terms are not buried in the specifications or evaluation sections but are appropriately included in the term sheet or form of agreement.
- (g) Ensure that the document is carefully proofread, preferably by someone other than the drafter. Inconsistent terminology, vague wording, typographical errors, grammatical errors, and incorrect spelling can all create uncertainty in the meaning and interpretation of the terms and conditions in the document.

3. Initial Mapping Statement

Before beginning to draft any of the Procurement project details, the Department Lead should draft an initial mapping statement that clearly describes what is being purchased. The initial mapping statement is essential in major projects with many stakeholders, and it is also very important in smaller, routine purchases in order to ensure a smooth and efficient drafting process.

4. Requirements and Specifications

The subject-matter experts from the relevant Department(s) are responsible for preparing the technical specifications and business requirements for inclusion in the Solicitation Document. In the preparation of any technical specification for a specific procurement, advice must not be sought or accepted from a potential Supplier or any person that may have a commercial interest in the procurement.

The format of the Solicitation Document will dictate the level of specificity that is required for requirements and specifications:

- (a) if price is the only factor being evaluated, then the specifications and all requirements that inform price must be fully disclosed in detail in order to solicit responsive pricing; or
- (b) if the requirements cannot be clearly defined before the Solicitation Document is issued (in other words, proponents will be proposing creative solutions or proponent specifications will be evaluated during the Competitive Process), and the selected format contemplates negotiation of the final Contract, then the specifications can be drafted with less specificity.

The requirements should describe the tasks that the successful Bidder will be expected to complete during the term of the Contract. There are different approaches to describing the tasks and effort required, for example:

- (a) a “performance-based” statement of work will describe the requirements in terms of the required results rather than the methods for performing the work. In this case, Bidders will be invited to propose their own approach and methodology and make their own determination of what resources, roles, and activities will be required to provide the Deliverables and achieve the required results;
- (b) a “level of effort” statement of work will identify all the tasks that must be performed and the hours to be spent on each task. The statement of work must identify if specific resources or categories of resources will be required to perform the identified tasks; and
- (c) a detailed or “prescriptive” statement of work will describe how the work must be accomplished, including precise measurements, tolerances, materials, quality control requirements, or the like.

Irrespective of the approach, it is important that:

- (a) the Deliverables are clearly identified, including the timelines and location for delivery;
- (b) reporting and communication requirements are identified, including any requirements for progress or status reports; and
- (c) expectations with respect to the outcome of the project are clearly described, including performance standards or quality-assurance requirements.

Departments should review the need for Contract performance security, if any, with Procurement Services.

Specifications for goods may include any or all of the following:

- (a) physical characteristics;

- (b) functional, performance, or expected-results characteristics;
- (c) quality characteristics defined by recognized, third-party standards bodies; and/or
- (d) intended-use descriptors, such as consumer-grade, industrial-grade, medical- or laboratory-grade, or suitable for use under extreme conditions.

Specifications and requirements must be designed to encourage open, fair, and transparent competition and must not be written in a way that unduly restricts Suppliers from bidding.

Technical specifications must be generic, functional, and non-biased specifications that do not have the purpose or effect of creating unnecessary obstacles to international trade. Where appropriate, they must be set out in terms of performance and functional requirements, rather than design or descriptive characteristics, and must be based on international standards, if they exist, or otherwise on recognized national standards.

Technical specifications must not require or refer to a particular trademark or trade name, patent, copyright, design, type, specific origin, producer, or Supplier, unless there is no other sufficiently precise or intelligible way of describing the requirements and, in such cases, the words such as "or equivalent" must be included.

5. Material Disclosures

In order to solicit competitive and responsive pricing during a Competitive Process, it is essential that Bidders know all material information relating to the procurement.

Only the Department's subject-matter experts will be in a position to know what information should be disclosed in the material disclosures section of the Solicitation Document. The material disclosures section should be reviewed by the subject-matter experts for every Procurement since failure to do so could expose the City to legal, financial, and reputational risk.

Material disclosures include information, such as:

- (a) reports relating to the procurement, including engineering, consulting, environmental, or site reports;
- (b) unusual conditions that may affect price (for example, soil conditions, delivery restrictions, or timing requirements or restrictions);
- (c) contractual performance terms;
- (d) indemnity, performance security, and insurance requirements; and
- (e) specific processes or procedures expected of the successful Bidder that are outside standard industry practice.

6. Pricing Structure Selection

6.1 General Principles

With the exception of a Request for Supplier Qualifications (“RFSQ”) process in which pricing information is not requested, it is essential that the Solicitation Document include a clear pricing structure. The pricing structure must be clearly set out in the Solicitation Document so that Bidders know exactly how to submit pricing and so that pricing can be evaluated fairly and defensibly.

Choosing an appropriate pricing structure will depend on what is being purchased; where applicable, ensure that the pricing structure aligns with industry standards.

Regardless of the pricing structure employed, the Solicitation Document must clearly state what is included or not included with respect to pricing (for example, is the submitted pricing all-inclusive or are certain expenses allowed to be charged in addition, such as delivery charges). The pricing structure must also clearly indicate that taxes should be separately stated.

In addition to setting out the selected pricing structure, the Solicitation Document must also include the payment structure. For example, will the entire amount owed be paid at the end of the Contract or will the Supplier be able to bill at regular intervals, upon completion of phases, or at specific payment milestones? The payment terms that will apply to the payment of invoices should also be set out in the Solicitation Document.

6.2 Pricing Structures

Below is a list of some of the most common pricing structures and the factors that should be considered when you are deciding which one is appropriate for your procurement.

- (a) **Lump Sum** (also referred to as “flat fee,” “firm price,” and “total price”) – The Bidder submits a total price to provide the Deliverables, which is not subject to adjustment after the Contract is awarded. This model is only appropriate when all specifications are known in advance, all conditions affecting price are known, the terms of the Contract are clear, and all of that information is disclosed in the Solicitation Document.
- (b) **Unit Prices** – The Bidder submits a per-unit price for the Deliverables, and that unit price is then multiplied by the required quantity. Similar to the lump-sum pricing structure, this pricing structure requires exact specifications for the Deliverables required. In order to get the most competitive pricing and meet disclosure obligations, it is important to ensure that historical or accurately estimated volumes of the required Deliverables are disclosed in the Solicitation Document. All unit prices must be set out with clear metrics (for example, hourly rates, price per unit or per kilogram) in the Solicitation Document.
- (c) **Lump Sum or Unit Prices with Price Adjustments** – Where an industry is subject to potential increases in pricing for products or labour, but a firm estimate on pricing is required, the lump-sum or unit-price model can be used in conjunction with a predetermined price adjustment. In order to be defensible, the price adjustment should be tied to objective criteria in the marketplace or subject to an objective, predetermined formula.

- (d) **Time and Materials** – This pricing structure is used to solicit competitive pricing when it cannot be estimated how much time or materials will be required to complete the project. This pricing structure allows some flexibility in pricing; however, in order to avoid costly budget overruns, this pricing model must include clearly described Deliverables, and it requires careful project management to ensure efficient use of resources. The time-and-materials pricing components should each have clear metrics (for example, hourly or per diem rates, set pricing for required materials). This pricing model can also be used for longer-term service Contracts where a service or good is required on an as-needed basis. When a time-and-materials pricing structure is used for these types of Contracts, the term of the Contract must be set out in the Solicitation Document. If options to extend the Contract are included, any price increase for the extension terms must either be set out clearly in the Solicitation Document or be subject to an agreed-upon formula (for example, indexed to inflation).
- (e) **Time and Materials with Upset Limit** – A time-and-materials pricing structure, as described above, can be used in combination with a requirement that Bidders set an upset limit that represents a total cost that will not be exceeded for the specified scope of work. For example, the pricing could be based on an hourly rate that will be charged for actual time spent with a total dollar value that will not be exceeded for the completion of the project.
- (f) **Licence Fees** – Common in the software industry, this pricing structure involves a set licence fee tied to specific rights of use (for example, number of users, number of computers on which software can be installed).
- (g) **Budget-Based Bidding** – This is a less common form of pricing structure, which can be used when there is a set amount of money budgeted for a project and the Department wishes to get the most value for that budget amount. The total budget is disclosed in the Solicitation Document and Bidders propose solutions that provide the most Deliverables they can within the set budget amount. The disclosure of budget may result in less competitive Bids, but it can be a useful method when there is concern that the scope of the project may otherwise result in Bids that exceed the available budget.
- (h) **Life-Cycle Cost (“LCC”)** – This pricing structure is an analysis that considers the initial purchase price, warranty, and duration of useful life, shipping, conversion, and installation, and all reasonable operating costs such as fuel/energy use, water use, routine maintenance, consumable supplies, parts and repairs, etc. The Solicitation Document must describe the method that will be used to calculate the LCC and specify the information that must be submitted by the Bidder for the purposes of the LCC analysis. Typical elements of an LCC analysis include:
 - i. purchase price;
 - ii. life span of products;
 - iii. transportation and handling;
 - iv. installation and associated costs;
 - v. staff training;
 - vi. operation and supplies (including any costs associated with disposal of waste/spent supplies);
 - vii. energy and fuel costs;
 - viii. maintenance and repairs; and
 - ix. end-of-life disposal costs.

The details of a particular Procurement may require another type of pricing structure. When the appropriate selection of pricing structure is not clear, employees should consult Procurement Services for guidance and other possible options.

7. Evaluation Methodology

In order to run a defensible Competitive Process, the evaluation methodology that will be used to determine the successful Bidder(s) must be fully disclosed in the Solicitation Document. Failure to fully disclose the evaluation methodology, including all factors to be considered in determining the successful Bidder(s), may constitute hidden criteria that could expose the City to legal, financial, and reputational risk.

All eligibility or threshold criteria (also referred to as “mandatory requirements”) must be fully disclosed and be capable of review upon submission of a Bid. Mandatory requirements should be kept to a minimum and must only be used for those eligibility requirements that are absolutely essential.

There are two basic evaluation methodologies:

- (a) lowest price; and
- (b) evaluated criteria where price and specified qualitative factors are allocated a certain weighting.

When using an RFSQ as part of a two-stage Competitive Process, the RFSQ must disclose the basis on which Bidders will be considered eligible to proceed to the subsequent stage of the Procurement process. Eligibility could be determined by obtaining a threshold score (for example, Bidders with a score of 65% or greater will be prequalified) or by being ranked within the specified number of top-scoring Bidders (for example, the top three Bidders will be prequalified).

7.1 Low-Price Evaluation

When the Bids are being evaluated only on price, this must be clearly set out in the Solicitation Document and no other factors can be used to determine the successful Bidder. If a Department wants to select the preferred Bidder based on lowest price but also consider other qualitative factors, such as previous experience, then they should consult with Procurement Services about using a different format or issuing an RFSQ to prequalify Bidders.

The method for determining the low price must be disclosed. Where the pricing structure is lump sum, the lowest price may be obvious, but if multiple unit prices are being solicited, then the formula for determining the low price for the purposes of evaluation must be set out in the Solicitation Document.

7.2 Evaluated Criteria

When multiple criteria will be considered in the evaluation of Bids, the criteria and the relative weighting for each of the criteria must be disclosed in the Solicitation Document. When several different factors will be considered in the evaluation of a particular criterion, the sub-criteria and sub-weightings should also be disclosed.

When interviews or presentations are requested, the weight, value, and impact on the evaluation and selection process must be set out in the Solicitation Document. Interviews and presentations can either

be given a predetermined weight or can be used to confirm or adjust the scores assigned in the evaluation of the paper-based proposal.

When both price and non-price factors are being evaluated, the method for evaluating price and calculating dollars into points must be disclosed. Generally, price is scored by dividing the lowest overall price submitted during the Competitive Process by the price submitted by each Bidder, and then multiplying that value by the weighting allocated to price (as below):

$$\text{lowest proposed price} \div \text{Bidder's proposed price} \times \text{weighting}$$

The scores for qualitative factors and the score for price are combined and Bidders are ranked based on highest total score.

8. Integration of Components

All of the components of the Solicitation Document need to work together properly. This requires integration throughout the document. The evaluation criteria and the pricing structure must align with the requirements, and the legal agreement must be properly tailored to the requirements and align with the pricing structure.

9. Version Control – Reviewing and Revising

When a Solicitation Document needs to be reviewed and edited by multiple stakeholders, the editing process must be well co-ordinated in order to maintain proper version control. Unless revisions are carefully tracked and integrated through an organized process, the final document is likely to include gaps and inconsistencies that can undermine the certainty of terms and create legal risk. The following steps should be taken to ensure version control:

- (a) Determine who is responsible for incorporating all comments and revisions into the draft document and preparing the final version;
- (b) Ensure stakeholders are clear on what sections of the document they are responsible for reviewing;
- (c) Have only the person responsible for the final document assign new version names to the document (for example, “RFP v. 2.0”);
- (d) When making electronic changes to the document, everyone involved in revising should save the revised document under a new file name that retains the assigned version name and also includes their name and the date of the changes (for example, “RFP v. 2.0 – changes by AB Jan 14”).
- (e) Retain copies of all stakeholder comments/markups in the Procurement file.

Invitational Competition Protocol

1. Purpose and Interpretation

The purpose of this protocol is to set out the steps and identify roles and responsibilities for conducting an Invitational Competition. Defined terms used in this protocol have the meaning assigned in the Glossary of Terms (Schedule A) in the Procurement Policy.

2. Responsibility for Conducting Invitational Competitions

Unless the authority to conduct an Invitational Competition has been delegated to the Department, the process will be conducted by Procurement Services with the assistance and co-operation of the Department Lead.

The Head of Procurement Services may delegate the authority to conduct an Invitational Competition to a Department, on either a standing basis or a case-by-case basis. Where a Department has delegated authority to conduct an Invitational Competition, the Department Head is responsible and accountable for ensuring the process is conducted in accordance with this protocol.

3. Preparing the Solicitation Document

The Invitational Request for Quotation ("RFQ") template is the standard format for Invitational Competitions. If the Department wishes to use a different format, please consult with Procurement Services.

The information contained in the Procurement Plan will be used to assemble the Solicitation Document.

The principles and guidelines in the Document Drafting Protocol should be followed and the following must be confirmed before the Solicitation Document is finalized:

- (a) the most up-to-date template is used;
- (b) all material information relevant to the Procurement has been disclosed;
- (c) all evaluation criteria that will be considered in the evaluation of Bids are disclosed;
- (d) the terms and conditions of the Procurement Contract are included in the Solicitation Document;
and
- (e) there is alignment between the technical requirements and specifications, the pricing structure, and the Contract terms and conditions.

4. Approval of the Solicitation Document

Unless otherwise determined by the Head of Procurement Services, both the Department and Procurement Services must review and approve the final Solicitation Document prior to issuance.

5. Issuance of the Solicitation Document

Email may be used for the issuance of the Solicitation Document. Invited Suppliers must be given a reasonable period of time to submit their Bids.

6. Communication with Bidders and Addenda Process

All communications with the invited Bidders must be in writing, by email, through a single contact person designated in the Solicitation Document. Any other individual who receives inquiries from Bidders must direct those Bidders to the designated contact person.

If questions are received from any invited Bidder during the Procurement process, the questions and their corresponding answers should be consolidated into a question and answer ("Q&A") document that is issued by email to all of the invited Bidders. The Q&A document should not identify the Bidder(s) that asked the question(s).

Any changes to the Solicitation Document must be communicated to all Bidders through a written addendum issued in the same manner as the Solicitation Document. If an addendum containing significant new information is released close to the submission deadline, the submission deadline should be extended to allow the Bidders a reasonable period of time to review and respond to the addendum.

7. Receipt of Bids

Bids must be in writing and may be submitted by email or another electronic submission method specified in the Solicitation Document. Bids must be received in the manner set out in the Solicitation Document. Bids received prior to the submission deadline must be kept confidential until the submission deadline has passed. After the submission deadline has passed, Bids must be opened and reviewed to determine if all mandatory submission requirements have been met in accordance with the process set out in the Solicitation Document.

8. Evaluation of Bids

The Department is responsible for establishing the evaluation team and conducting the evaluation process in accordance with the evaluation methodology disclosed in the Solicitation Document. Where the evaluation is based only on price, the Bids must be reviewed by at least two individuals from the Department and/or Procurement Services. Where the Solicitation Document includes evaluation criteria in addition to price, the Bids should be evaluated by a minimum of three evaluators from the Department.

9. Selection of Preferred Bidder(s)

The Department is responsible for recommending the selection of the preferred Bidder(s) based on the results of the evaluation process in accordance with the Solicitation Document. The Department's recommendation to award a Contract to the preferred Bidder(s) must be approved by Procurement Services. The Contract Award Approval form in Appendix A should be completed and submitted to the Head of Procurement Services. All individual evaluator score sheets, the summary score sheet and any applicable notes in support of the scores must accompany the form.

Procurement Services will send the selected Bidder a notice of selection asking the Bidder to satisfy any conditions of award set out in the solicitation.

10. Contract Finalization

Once all required approvals are obtained and any conditions of award are satisfied, a Purchase Order attaching or referencing the Contract terms and conditions set out in the Solicitation Document will be issued by Procurement Services or, if a legal agreement is to be signed by the City and the Supplier, the agreement will be executed in accordance with the Authorization Schedule.

11. Notification of Unsuccessful Suppliers

After the Contract with the selected Supplier has been finalized, Procurement Services will promptly notify the unsuccessful Suppliers of the outcome.

12. Communication with Suppliers Regarding Outcome

Any requests for debriefing or any questions or complaints about the outcome of the process must be directed to the contact person designated in the Solicitation Document. If a debriefing is held, it should be conducted in accordance with the Bidder Debriefing Protocol.

13. Documentation

Procurement Services is responsible for creating and maintaining a Procurement file containing copies of the following documents:

- (a) the approved Procurement Authorization Form;
- (b) the Procurement Plan;
- (c) the final version of the Solicitation Document that was issued to Suppliers;
- (d) records of any communications with invited Suppliers;
- (e) copies of all addenda that were issued to Suppliers;
- (f) all Bids received from Suppliers;
- (g) any notes with respect to the review and evaluation of Bids;
- (h) documented approval for the Contract award; and
- (i) the Purchase Order and any other Contract documents.

APPENDIX A – INVITATIONAL COMPETITION CONTRACT AWARD APPROVAL

Department:	
Department Lead:	
Date:	

Description of the Deliverables:	
Recommended Supplier Name:	
Total Procurement Value:	
Funding Source:	

Date RFQ Issued:	
Submission Deadline:	

Invited Supplier Name	Quote Received	Met Requirements	Amount of Quote	Total Score (if applicable) *
	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	\$	
	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	\$	
	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	\$	
	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	\$	

* Total score is only applicable if the evaluation process included non-price rated criteria.

Department Lead:	Signature: Date:
Head of Procurement Services:	Signature: Date:

Open Competition Protocol

1. Purpose and Interpretation

The purpose of this protocol is to set out the steps and identify roles and responsibilities for conducting an Open Competition. Defined terms used in this protocol have the meaning assigned in the Glossary of Terms (Schedule A) in the Procurement Policy.

2. Responsibility for Conducting Open Competitions

Open Competitions will be conducted by Procurement Services with the assistance and co-operation of the Department. Departments are not permitted to conduct Open Competitions without the involvement of Procurement Services.

3. Preparing the Solicitation Document

The appropriate Solicitation Document format must be determined in consultation with Procurement Services using the Format Selection Protocol. The information contained in the Procurement Plan and the template for the selected format will be used to assemble the Solicitation Document.

When preparing a Solicitation Document for an Open Framework Competition to establish a Qualified Supplier Roster, refer to the Qualified Supplier Rosters Protocol.

The principles and guidelines in the Document Drafting Protocol should be followed. All items in the Solicitation Document Checklist (Appendix A) must be confirmed before the Solicitation Document is finalized.

4. Approval of Solicitation Document

Both the Department and Procurement Services must review the assembled Solicitation Document to ensure that all of the requirements in the Solicitation Document Checklist (Appendix A) are met and must approve the final Solicitation Document prior to issuance.

5. Procurement Notice

Procurement Services is responsible for posting notice of the Procurement online. Suppliers must be able to access the notice free of charge. The Procurement Notice Checklist (Appendix B) must be used to ensure all required information is included in the notice.

6. Posting Solicitation Document

Procurement Services is responsible for posting the Solicitation Document online. The Solicitation Document should be posted at the same time as the notice.

7. Time Period for Bid Submission

Suppliers must be provided sufficient time to prepare and submit responses to the Solicitation Document. The minimum time periods set out below require that both the notice of Procurement and the Solicitation Document are posted and available to Suppliers electronically in accordance with Sections 5 and 6 above.

If responses are accepted by electronic means, Suppliers must be given a minimum of 25 calendar days to respond to the Solicitation Document. A longer response time may be considered reasonable based on the nature and complexity of the procurement.

If electronic submission of responses is not permitted, a minimum time period of 30 calendar days must be provided.

A shorter time period is not advisable and may only be considered under the following circumstances:

- (a) There is a state of urgency that does not allow for the regularly required time period, whereby a valid reason for the urgency must be substantiated and documented. Lack of advance planning will not be considered a valid reason.
- (b) The Procurement is solely for commercial goods or services and Bids are accepted by electronic means. "Commercial goods or services" means goods or services of a type generally sold or offered for sale in the commercial marketplace to, and customarily purchased by, non-governmental buyers for non-governmental purposes.
- (c) A limited number of prequalified Suppliers are being invited to respond to a second-stage competitive procurement.

In any of the above cases, the minimum time period must not be less than ten calendar days.

8. Communication with Potential Bidders and Addenda Process

- (a) All communications with potential Bidders after the posting of the Solicitation Document must be made in writing through a single contact person designated in the Solicitation Document. The designated contact person must be a representative of Procurement Services.
- (b) Any Department employee or any other individual who receives inquiries from potential Bidders must direct those Bidders to the designated contact person in Procurement Services and must not discuss the Procurement with any potential Bidder or Supplier.
- (c) It is recognized that there may be instances where Department employees have ongoing relationships with Suppliers with respect to existing Contracts and that those Suppliers may be potential Bidders in other procurements. In such instances, Department employees are not prevented from speaking to such Suppliers with respect to ongoing projects and Contracts, but they should refrain from discussing upcoming or active procurements.
- (d) All Bidder questions must be submitted in writing to the designated contact person. The designated contact person will forward all questions of a technical nature to the Department. The Department will provide the responses to Procurement Services, and Procurement Services will consolidate all Bidders' questions and the responses and post the consolidated question and

answer ("Q&A") document as an addendum. The Q&A document should not identify which Bidder asked which question. Questions that are duplications may be consolidated, so long as all legitimate Bidder questions and concerns are addressed.

- (e) All changes to the Solicitation Document must be communicated to all Bidders through a written addendum issued by Procurement Services. If the Department needs to make changes to a Solicitation Document after it has been posted, all such changes (including changes to the scope, evaluation criteria or schedule) must be provided to Procurement Services. Procurement Services will prepare the addendum and provide it to the Department for review and approval. Once approved, the addendum will be issued by Procurement Services in the manner set out in the Solicitation Document.
- (f) If an addendum containing significant new information or modifications is released close to the submission deadline, Procurement Services must extend the submission deadline to allow Bidders a reasonable period of time to review and respond to the addendum.

9. Receipt of Bids

Procedures for the receipt, opening, and treatment of Bids must guarantee the fairness and impartiality of the Procurement process and the confidentiality of Bids.

If Bids are received electronically, the system must establish time of receipt and Bids must not be accessed until the submission deadline has passed.

If Bids are received physically, the submissions must be time-stamped upon receipt, must be securely stored, and must not be opened until the submission deadline has passed.

Suppliers must not be penalized for the late submission of a Bid if the delay in receiving the Bid is due solely to mishandling on the part of the City.

10. Review of Mandatory Submission Requirements

To be considered for an award, a Bid must be compliant with the essential requirements set out in the notices and Solicitation Document and be from a Supplier that satisfies any conditions for participation.

Once the Bids have been opened, Procurement Services must review all Bids to ensure compliance with the mandatory submission requirements set out in the Solicitation Document. Where no rectification period has been allowed for in the Solicitation Document, those Bids that do not meet the mandatory submission requirements are disqualified and must not be evaluated further.

If the Solicitation Document provides for a rectification period, Procurement Services will send any Bidder that did not meet a mandatory submission requirement a rectification notification informing them that it will have the opportunity to meet the mandatory submission requirement within the specified rectification period. After the expiration of the rectification period, any Bidders that have failed to meet all mandatory submission requirements are disqualified and must not be evaluated further. The Bids that have satisfied the mandatory submission requirements will be provided to the Department for evaluation. Note that a rectification period is applicable only if explicitly provided for in the Solicitation Document and must never be included in a legally binding Contract-A Solicitation Document.

11. Evaluation of Bids

The evaluation process must be fair, defensible, and transparent and must comply with the evaluation methodology disclosed in the Solicitation Document.

Departments are responsible for establishing the evaluation team and conducting the evaluation process. A minimum of three evaluators must participate in the evaluation process. Whenever possible, a representative of Procurement Services will serve as a facilitator and advisor to the evaluation team. The evaluation team must ensure that the evaluation plan as indicated in the Solicitation Document is followed and that the scoring of the Bids is defensible.

All evaluation team members must sign a declaration stating that they have no conflicts of interest in respect of the Procurement process and agreeing to keep the content of Bids and the evaluation confidential.

11.1 Assessment of Mandatory Technical Requirements

The evaluation team will assess whether the Bids satisfy the mandatory technical requirements set out in the Solicitation Document. Bids that do not satisfy the mandatory technical requirements will be disqualified and must not be evaluated further.

If there is uncertainty with respect to whether or not a Bid satisfies a mandatory technical requirement, the evaluation team must consult with Procurement Services to determine the appropriate course of action.

Where it is clear that a Bid fails to satisfy any mandatory technical requirement, the evaluation team must notify Procurement Services.

Procurement Services is responsible for notifying a Bidder that their Bid has been disqualified. Under no circumstances is the evaluation team or any other Department employee to communicate directly with Bidders regarding the evaluation process.

11.2 Low-Bid Evaluation

In a low-bid evaluation process, the Contract is awarded to the Bidder that submitted the compliant Bid with the lowest price.

Once the mandatory requirements have been reviewed, the evaluation team will review the compliant Bids and determine the lowest submitted price.

11.3 Evaluated Criteria (High-Score) Evaluation

Once all evaluators have conducted their individual evaluations, the entire evaluation team should meet to finalize their scores. A representative of Procurement Services may serve as an observer and advisor to the evaluation team.

During the meeting for the finalization of scores, any discrepancies in scoring between the individual evaluators should be discussed. Evaluators should explain how they arrived at the particular score they assigned and point out the relevant information in the Bid that supports the score. Evaluators may adjust

their scores based on these discussions, but they should not feel compelled to do so if they feel the score they have assigned is fair and supported by the content of the Bid. Where there is no consensus among the evaluators, the Bidder's score for each of the criteria should be determined by averaging the scores assigned by each individual evaluator.

If the evaluation team wishes to seek clarification from a Bidder in respect of information contained in its Bid, the evaluation team must consult with Procurement Services. The evaluation team should prepare a draft of the clarification questions it proposes to ask the Bidder for review by Procurement Services. If determined to be appropriate, Procurement Services will send the clarification request to the Bidder. The Bidder's response will be provided to Procurement Services. Procurement Services will review the response from the Bidder and, if it is determined to be appropriate, will provide it to the evaluation team.

Once the evaluation of non-price factors has been completed and the scores for the non-price factors have been totalled, the evaluation team should factor in the evaluation of price in accordance with the method set out in the Solicitation Document.

11.4 Interviews and Presentations

Where expressly set out in the Solicitation Document, interviews and presentations may be used during an evaluation process. Interviews and presentations should be scheduled in advance to allow Bidders the opportunity to prepare. All Bidders should be provided with the same amount of time for the interview and presentation and be provided with the same level of review. The evaluation of interviews and presentations must be consistent with the process set out in the Solicitation Document.

11.5 Concurrent Negotiations and Best and Final Offer ("BAFO") Process

Where expressly set out in the Solicitation Document, the evaluation process may include a process for engaging in negotiations or discussions with a short-list of Bidders followed by the submission of BAFOs.

In such cases, the evaluation team will evaluate the original Bid submissions and will create a short-list based on the results of those evaluations and the process set out in the Solicitation Document. The Department Lead is responsible for submitting a recommendation for selection of the short-listed Bidders to Procurement Services for approval. Procurement Services will notify the selected Bidders that they have been selected, facilitate the scheduling of the negotiation sessions, and manage the submission process for the BAFOs.

The deadline for the submission of BAFOs must be the same for all participating bidders. BAFOs must then be evaluated in accordance with this procedure and the process set out in the Solicitation Document.

12. Selection of Preferred Bidder(s)

The preferred Bidder(s) will be determined based on the results of the evaluation process in accordance with the Solicitation Document.

Where the competition is intended to result in the award of a Contract to the selected Bidder, the Department Lead is responsible for submitting a recommendation for selection of the preferred Bidder to Procurement Services for approval. All individual evaluator score sheets, the summary score sheet, and any applicable notes in support of the scores must accompany the selection recommendation.

Where the competition is intended to result in the prequalification of Bidders that will be eligible to participate in a second-stage Competitive Process, the Department Lead is responsible for submitting a recommendation to prequalify the preferred Bidders to Procurement Services for approval. Procurement Services will be responsible for notifying the Bidders of the outcome of the prequalification process.

All selection decisions must be authorized in accordance with the Authorization Schedule.

13. Contract Negotiation and Award

Where the Solicitation Document provides for Contract negotiations with the preferred Bidder, Procurement Services will send the selected Bidder a notice of selection inviting the Bidder to enter into Contract negotiations.

Where the Solicitation Document does not provide for negotiation of the Contract with the selected Bidder(s), the selected Bidder(s) must enter into the form of Contract included in the Solicitation Document, and Contract negotiations are not generally permitted. Procurement Services will send each selected Bidder a notice of selection asking the Bidder to satisfy any conditions of award set out in the Solicitation Document.

All Contract award decisions must be authorized in accordance with the Authorization Schedule.

The Contract is awarded once negotiations are successfully completed, if applicable, and all conditions of award set out in the Solicitation Document have been satisfied. If a legal agreement is to be signed, the Contract is awarded when both the Supplier and the City have signed the agreement. In the absence of a signed legal agreement, the Contract is awarded at the time a Purchase Order is issued to the Supplier.

Contracts must be issued or executed in accordance with the Authorization Schedule.

14. Cancellation of Competitive Process

Where the deadline for submission of Bids has passed and Bids have been received, the Procurement process must not be cancelled without the approval of Procurement Services, in consultation with Legal Services where necessary.

15. Notification

Unsuccessful Bidders must be promptly informed of Contract award decisions.

16. Debriefings

Unsuccessful Bidders may request a debriefing. When requested, debriefings must be scheduled and conducted by Procurement Services and the appropriate Department representative.

17. Notice of Award

Within 72 days of awarding a Contract, a notice of award must be published online and must remain readily accessible for a reasonable period of time. The Procurement Notice Checklist (Appendix B) must be used to ensure all required information is included in the notice.

14. Documentation

Procurement Services is responsible for ensuring that all documentation relating to the Procurement is properly filed and maintained in the Procurement file. The following are the minimum requirements of what should be kept in each Procurement file:

- (a) the approved Procurement Authorization Form;
- (b) the Procurement Plan;
- (c) the final Solicitation Document(s);
- (d) records of any communications with Bidders or potential Bidders;
- (e) copies of all addenda;
- (f) copies of all Bids received from Bidders;
- (g) all records of evaluation processes, including evaluator notes and final scores;
- (h) the final recommendation memo together with all required approvals;
- (i) records of any debriefing requests and outcomes; and
- (j) records of any Supplier complaints and related correspondence.

APPENDIX A – SOLICITATION DOCUMENT CHECKLIST

The following must be confirmed before the Solicitation Document is finalized:

- ☐ The most up-to-date template is used.
- ☐ All material information relevant to the Procurement has been disclosed, including:
 - ☐ a complete description of the procurement, including the nature and the quantity of the goods or services to be procured; or if the quantity is not known, the estimated quantity and any requirements to be fulfilled, including any technical specifications, requirements for servicing or warranty; transition costs, if applicable; and applicable conformity assessment certification, plans, drawings, or instructional materials;
 - ☐ any conditions for participation of Suppliers, including a list of information and documents that Suppliers are required to submit in connection with the conditions for participation;
 - ☐ a clear description of the method that will be used to evaluate Bids and select the successful Bidder(s);
 - ☐ all evaluation criteria, and, unless price is the sole criterion, the weighting of the criteria;
 - ☐ submission instructions, including any authentication and encryption requirements or other requirements related to the submission of information by electronic means;
 - ☐ any dates for the delivery of goods or the supply of services, which must take into account such factors as the complexity of the procurement, the extent of subcontracting anticipated, and the realistic time required for producing, de-stocking, and transporting goods from the point of supply or for supply of services; and
 - ☐ other material terms and conditions, including terms of payment.
- ☐ The terms and conditions of the Contract are appropriately contained in the term sheet or form of agreement.
- ☐ There is alignment between the technical requirements and specifications, the pricing structure (where applicable), and the Contract terms and conditions.
- ☐ In the case of a Solicitation Document to establish a Standing Offer, the Solicitation Document indicates how subsequent purchases will be made from under the Standing Offer.
- ☐ The Solicitation Document does not include:
 - ☐ conditions for participation that are not essential to ensuring that a Supplier has the legal and financial capacities and the commercial and technical abilities to provide the goods or services;
 - ☐ biased or branded technical specifications;

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- ☐ local content or other economic benefits criteria that are designed to favour Suppliers from a particular geographic location (region, territory, province, or nation) or goods or services of a particular geographic location; or
- ☐ requirements that Bidders have previously been awarded Contracts by the City or have prior experience in a particular geographic location.

APPENDIX B – PROCUREMENT NOTICE CHECKLIST

For each Open Competition, a summary notice, a detailed notice of intended procurement, and a notice of Contract award must be published and must be accessible by electronic means free of charge. Use the checklist below to ensure that all required information is included in the notices.

Summary Notice

A summary notice must be posted online at the same time as the detailed notice and must contain at least the following information:

- ☐ the subject matter of the procurement;
- ☐ information on how to obtain all relevant documents relating to the Procurement process; and
- ☐ the date and time of the submission deadline.

Notice of Intended Procurement

The detailed notice must include all of the following information:

- ☐ procuring entity's name and address;
- ☐ contact information (phone and/or email) of contact person;
- ☐ information on how to obtain all relevant documents relating to the procurement;
- ☐ the cost and terms of payment, if any, for the Procurement documents;
- ☐ a description of the procurement;
- ☐ the nature and the quantity of the goods or services to be procured or, if the quantity is not known, the estimated quantity;
- ☐ the timeframe for delivery of goods or services or the duration of the Contract;
- ☐ a description of any options;
- ☐ the Procurement method that will be used and whether it will involve negotiations or electronic auction;
- ☐ the language(s) in which submissions will be accepted;
- ☐ the date and time of the Bid submission deadline;
- ☐ the location for submission;
- ☐ if there will be a public opening, the date and time of the public opening; and

- ☐ an indication that the Procurement is covered by Chapter 19 of the *Canada-European Union Comprehensive Economic and Trade Agreement* (the “CETA”) and/or Chapter 5 of the *Canadian Free Trade Agreement* (the “CFTA”).

In the case of a two-stage competition, where the City intends to select a limited number of qualified Suppliers to be invited to participate in the second-stage competition, the notice must include all of the above, and:

- ☐ the criteria that will be used to select them and, if applicable, any limitation on the number of Suppliers that will be permitted to participate in the second-stage competition.

Notice of Contract Award

Within 72 days of awarding a Contract, a notice of award must be published online and must remain readily accessible for a reasonable period of time.

The notice must include at least the following information:

- ☐ the name and address of the procuring entity;
- ☐ the name and address of the successful Supplier;
- ☐ a description of the goods or services procured;
- ☐ the value of the successful Bid or the highest and lowest offers taken into account in the award of the Contract;
- ☐ the date of award; and
- ☐ the type of Procurement method used.

Non-Standard Procurement Protocol

1. Purpose

The purpose of this protocol is to set out the procedures and requirements for acquiring Deliverables through a Non-Standard Procurement process. Defined terms used in this protocol have the meaning assigned in the Glossary of Terms (Schedule A) in the Procurement Policy.

2. Non-Standard Procurement

“Non-Standard Procurement” means the acquisition of Deliverables through a process or method other than the standard method required for the type and value of the Deliverables. Non-Standard Procurement methods include:

- (a) acquiring Deliverables directly from a particular Supplier without conducting a Competitive Process when an Invitational Competition or an Open Competition would normally be required; and
- (b) soliciting Bids from a limited number of Suppliers without conducting an open prequalification process when an Open Competition would normally be required.

3. Authorization for Non-Standard Procurement

To obtain authority for a Non-Standard Procurement, the Department must complete the Non-Standard Procurement Authorization Form (Appendix A) (the “Authorization Form”). Non-Standard Procurement may be permitted only if one or more of the reasons in the Authorization Form apply to the procurement.

The completed Authorization Form must be approved and signed in accordance with the Authorization Schedule prior to acquiring any goods or services or engaging in any Contract negotiations with a Supplier.

If the Procurement Value is less than the applicable Open Competition Threshold, the Department Head may authorize the Procurement and delegate the authority to procure to the Department Lead.

If the Procurement Value is equal to or greater than the applicable Open Competition Threshold, the Department Head submits the Non-Standard Procurement Authorization Form to the Procurement Review Committee (“PRC”). The PRC reviews and addresses any concerns with the Department Head.

If the Procurement Value is less than \$1 million, the PRC may authorize the Procurement and delegate the authority to procure to the Department Head. The decision of the PRC to authorize the Non-Standard Procurement must be unanimous.

If the Procurement Value is equal to or greater than \$1 million, the PRC and the Department Head submits a report to Council for authority to proceed with the procurement. Council may authorize the Procurement and delegate the authority to procure to the Department Head.

4. Contracts for Non-Standard Procurements

When a non-competitive Procurement is authorized, the Department is responsible for negotiating and finalizing the Contract for the Deliverables in accordance with the Procurement Policy and the Negotiation Protocol. Departments are encouraged to consider the guidance on pricing structure selection and describing the requirements and specifications set out in the Document Drafting Protocol.

5. Non-Standard Procurement Report

In addition to the general record-keeping requirements under the Procurement Policy, a written report must be prepared for each Contract awarded through a Non-Standard Procurement, including the value and kind of goods or services procured and a statement indicating the circumstances and conditions that justified the use of a Non-Standard Procurement. The report and any supporting documentation, including the approved Procurement Authorization Form must be maintained for a minimum of three years from the Contract award date, or such longer period as may be required under the City's document management policies.

6. Notice of Award

If the Procurement Value is equal to or greater than the applicable Open Competition Threshold, Procurement Services must publish the notice of award online within 72 days of the Contract award. The notice must include at least the following information:

- (a) a description of the goods or services procured;
- (b) the name and address of the procuring entity;
- (c) the name and address of the successful Supplier;
- (d) the date of award; and
- (e) a description of the circumstances justifying the use of a Non-Standard Procurement.

APPENDIX A – NON-STANDARD PROCUREMENT AUTHORIZATION FORM

Department:	
Department Lead:	
Date:	
Description of Deliverables:	
Recommended Supplier:	
Procurement History:	<p>Has the Department previously acquired similar Deliverables through a Non-Standard Procurement?</p> <p>YES / NO</p> <p>If yes, were the Deliverables previously acquired from the recommended Supplier?</p> <p>YES / NO</p>
Proposed Contract Term: Indicate initial term and any optional extension terms.	
Estimated Procurement Value:	
Funding Source:	

Identify the reason(s) for the Non-Standard Procurement:	
<input type="checkbox"/>	An Open Competition was conducted for the required goods or services and did not result in the receipt of any valid Bids.
<input type="checkbox"/>	<p>The Procurement is for:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Goods intended for resale to the public <input type="checkbox"/> Goods purchased on a commodity market <input type="checkbox"/> Financial services <input type="checkbox"/> Health services <input type="checkbox"/> Social services <input type="checkbox"/> Services provided by licensed lawyers or notaries <input type="checkbox"/> Services of expert witnesses or factual witnesses used in court or legal proceedings
<input type="checkbox"/>	<p>The goods and/or services are to be procured from:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Government entity <input type="checkbox"/> Philanthropic institution <input type="checkbox"/> Prison labour <input type="checkbox"/> Persons with disabilities <input type="checkbox"/> Non-profit organization* <p><i>*This reason does not apply to procurements that are covered by the Canada-European Union Comprehensive Economic and Trade Agreement (the "CETA").</i></p>
<input type="checkbox"/>	<p>It can be demonstrated that the goods or services can be supplied only by a particular Supplier and no alternative or substitute exists for the following reason(s):</p> <ul style="list-style-type: none"> <input type="checkbox"/> There is an absence of competition for technical reasons. <input type="checkbox"/> Patents, copyrights, or other exclusive rights must be protected. <input type="checkbox"/> The requirement is for a work of art.
<input type="checkbox"/>	<p>The Procurement is for additional deliveries by the original Supplier of goods or services that were not included in the initial Procurement if a change of Supplier for such additional goods or services:</p> <ul style="list-style-type: none"> • cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, software, services, or installations procured under the initial procurement; and • would cause significant inconvenience or substantial duplication of costs for the City.
<input type="checkbox"/>	<p>The Procurement is for goods or consulting services regarding matters of a confidential or privileged nature and the disclosure of those matters through an Open Competition could reasonably be expected to compromise government confidentiality, result in the waiver of privilege, cause economic disruption, or be contrary to the public interest.</p>
<input type="checkbox"/>	<p>The Procurement is for:</p> <ul style="list-style-type: none"> <input type="checkbox"/> a prototype or a first good or service to be developed in the course of and for a particular Contract for research, experiment, study, or original development, but not for any subsequent purchases. <input type="checkbox"/> goods available under exceptionally advantageous circumstances that arise only in the very short term, such as liquidation, bankruptcy, or receivership.

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<input type="checkbox"/>	a Contract to be awarded to the winner of a design contest and the contest was organized in a fair and transparent manner and was advertised by publicly posted notice and participants were judged by an independent jury.
<input type="checkbox"/>	The Procurement is being conducted on behalf of an entity that is not covered by the Procurement Policy or any trade agreement.
<input type="checkbox"/>	Unforeseeable events have resulted in a situation where extreme urgency exists and the goods or services could not be obtained in time through an Open Competition. <i>* The Department Lead must clearly identify and explain the unforeseeable events that brought about the urgency. Failure to plan for and proceed with a Procurement in a timely manner will not be considered a valid reason for a Non-Standard Procurement.</i>
<input type="checkbox"/>	The Procurement Value is below the Open Competition Threshold and it is in the best interests of the City to proceed with a Non-Standard Procurement. <i>* The Department Lead must clearly explain why it is in the City's best interest to proceed with a Non-Standard Procurement rather than an Invitational Competition.</i>
<input type="checkbox"/>	The Procurement is otherwise exempt from Open Competition requirements under all applicable trade agreements, and it is in the best interests of the City to proceed with a Non-Standard Procurement. <i>* The Department Lead must indicate the specific section(s) of the applicable trade agreements that provide for the exemption and clearly explain why it is in the City's best interest to proceed with a Non-Standard Procurement rather than an Open Competition.</i>

Insert details to explain and support the identified reason(s) and attach any relevant documentation.

Procurement Authorization

All Non-Standard Procurement Authorization Forms must be approved in accordance with the Authorization Schedule.

Authorized by the Department Head	Signature: _____ Name: _____ Date: _____
<p>If Procurement value is at or above the Open Competition Threshold and below \$1 million</p> <p>The PRC agrees that a Non-Standard Procurement is justified under the circumstances.</p> <p>Signature: _____ Name: _____ Title: _____ Date: _____</p> <p>Signature: _____ Name: _____ Title: _____ Date: _____</p> <p>Signature: _____ Name: _____ Title: _____ Date: _____</p>	
<p>If the Procurement value is at or above \$1 million</p> <p>Authorization of the CAO must be obtained and attached to this form.</p>	

Qualified Supplier Rosters Protocol

1. Purpose

The purpose of this protocol is to provide procedures and guidance for establishing and managing Qualified Supplier Rosters.

2. Interpretation

Defined terms used in this protocol have the meaning assigned in the Glossary of Terms (Schedule A) in the Procurement Policy.

For ease of reference, the following defined terms are repeated here:

“Open Framework Competition” means the Competitive Process used to establish a Qualified Supplier Roster and provide for an ongoing application process during the term of the Qualified Supplier Roster, as further described in this protocol.

“Qualified Supplier Roster” means a list of Suppliers that have participated in and successfully met the requirements of a Request for Supplier Qualifications (“RFSQ”) and have therefore been prequalified to perform discrete work assignments involving the delivery of a particular type of deliverable.

“Roster Competition” means an expedited, invitational competition between Suppliers that have been included on a Qualified Supplier Roster for the selection of a Supplier to perform a discrete work assignment during the term of the roster.

“Master Framework Agreement” means a master agreement entered into between the City and the prequalified Suppliers that have been included on a Qualified Supplier Roster.

3. Establishing a Qualified Supplier Roster

When a Department or multiple Departments require the same type of good or service on a regular or recurring basis, it may not be efficient or cost-effective to initiate a new open Procurement process each time that particular good or service is required. In such cases, a Qualified Supplier Roster of prequalified Suppliers should be established.

Procurement Services is responsible for establishing Qualified Supplier Rosters in co-operation with Departments. An Open Framework Competition is conducted through the public issuance of an RFSQ, and Suppliers are pre-screened based on the qualification criteria and evaluation process set out in the RFSQ.

The evaluation process must specify the minimum threshold and conditions that must be met in order for a Supplier to be considered qualified. Due to the variability of requirements, Qualified Supplier Rosters do not generally include firm pricing for all items in scope. In some cases, the RFSQ may include a requirement to provide ceiling prices, maximum hourly rates, or unit prices that the Supplier agrees not to exceed when submitting a Bid in response to a Roster Competition during the term of the Qualified Supplier Roster or for a shorter specified period of time. If the Qualified Supplier Roster is intended to be in place for a long

or indefinite period of time, it is not reasonable to require ceiling prices or maximum rates unless a reasonable price escalation mechanism will apply.

The qualified Suppliers meeting all of the requirements and conditions in the RFSQ process will be invited to enter into a Master Framework Agreement. Procurement Services is responsible for entering into and managing Master Framework Agreements on behalf of the City.

The Master Framework Agreement will set out the process for Roster Competitions and the general terms and conditions that will govern any future work assignments. Upon execution of the Master Framework Agreement, the qualified Supplier will be included on the Qualified Supplier Roster. As the need for the Deliverables arises, the City will select one or more of the Suppliers on the Qualified Supplier Roster to perform the work assignment through a Roster Competition.

A Qualified Supplier Roster does not result in any commitment by the City to purchase Deliverables from the Supplier. The Supplier may be selected, in accordance with the Roster Competition, to provide the Deliverables on a non-exclusive basis.

4. Preparing the RFSQ

The Solicitation Document should be prepared using the Roster Framework template. The following information must be addressed in the RFSQ:

- ☐ the qualification criteria and evaluation process;
- ☐ the threshold evaluation score needed in order to be included on the Roster; and
- ☐ the term of the Master Framework Agreement.

The RFSQ must not include:

- ☐ conditions for participation that are not essential to ensure that a Supplier has the legal and financial capacities and the commercial and technical abilities to provide the goods or services;
- ☐ local content or other economic benefits criteria that are designed to favour Suppliers from a particular geographic location (region, territory, province, or nation) or goods or services of a particular geographic location; or
- ☐ requirements that Bidders have previously been awarded Contracts by the City or have prior experience in a particular geographic location.

The Master Framework Agreement must be attached to the RFSQ and should include details regarding the management of the Qualified Supplier Roster, including:

- ☐ the process by which new Suppliers will be given the opportunity to qualify for inclusion in the Qualified Supplier Roster;
- ☐ the process by which Suppliers may be removed from the Qualified Supplier Roster; and
- ☐ the process for conducting Roster Competitions.

5. Conducting the Open Framework Competition

To establish a Qualified Supplier Roster, the Open Framework Competition should be conducted in accordance with the following:

5.1 Procurement Notice

Procurement Services is responsible for posting notice of the opportunity online. Suppliers must be able to access the notice free of charge. The notice inviting interested Suppliers to apply for inclusion in a Qualified Supplier Roster must include:

- ☐ procuring entity's name and address;
- ☐ contact information (phone and/or email) of contact person;
- ☐ information on how to obtain all relevant documents relating to the list;
- ☐ a description of the goods or services, or categories thereof, for which the Qualified Supplier Roster may be used;
- ☐ the conditions for participation to be satisfied by Suppliers for inclusion on the list and the methods that the procuring entity will use to verify that a Supplier satisfies the conditions;
- ☐ the period of validity of the list and the means for its renewal or termination, or if the period of validity is not provided, an indication of the method by which notice will be given of the termination of use of the list; and
- ☐ an indication that the list may be used for Procurement covered by Chapter 19 of the *Canada-European Union Comprehensive Economic and Trade Agreement* (the "CETA") and/or Chapter 5 of the *Canadian Free Trade Agreement* (the "CFTA").

5.2 Posting of Solicitation Document

Procurement Services is responsible for posting the RFSQ document online. The RFSQ document should be posted at the same time as the notice.

5.3 Time Period for Bid Submission

Suppliers must be provided sufficient time to prepare and submit responses to the RFSQ.

Whenever possible, the RFSQ should allow for responses to be submitted by electronic means. If responses are accepted by electronic means, Suppliers must be given a minimum of 25 calendar days to respond. If, for some reason, electronic submission of responses is not permitted, a minimum time period of 30 calendar days must be provided.

5.4 Ongoing Application Process

During the term of the Qualified Supplier Roster, both the notice inviting interested Suppliers to apply for inclusion in a Qualified Supplier Roster and the RFSQ document should be made continuously available,

and Suppliers must be permitted to apply for inclusion in the Qualified Supplier Roster at any time. The same qualification requirements, evaluation process, and Master Framework Agreement that were included in the original RFSQ will apply for the purpose of qualifying new Suppliers for inclusion on the Qualified Supplier Roster.

Applications for qualification must be considered on a quarterly basis and Suppliers must be promptly notified of the outcome. If an application is rejected, the Supplier must be provided with a written explanation of the reasons for the decision. A Supplier that applies for qualification and is not selected for inclusion on the Qualified Supplier Roster will not be permitted to reapply for a minimum of one year.

6. Removing Suppliers from the Qualified Supplier Roster

Suppliers that fail to perform Contracts awarded through a Roster Competition in a satisfactory manner may be removed from the Qualified Supplier Roster and will no longer be eligible to participate in Roster Competitions and will not be eligible to re-qualify during the term of the Qualified Supplier Roster.

In addition to poor performance, Suppliers may also be removed from the Qualified Supplier Roster on grounds such as:

- (a) bankruptcy or insolvency;
- (b) false declarations;
- (c) final judgments in respect of serious crimes or other serious offences; or
- (d) professional misconduct or acts or omissions that adversely reflect on the commercial integrity of the Supplier.

If a Supplier is removed from a Qualified Supplier Roster, the Supplier must be provided with a written explanation of the reasons for the decision.

7. Roster Competitions

The Suppliers on the Qualified Supplier Roster should be invited to compete for discrete work assignments during the term of the Qualified Supplier Roster. The successful Supplier selected from a Roster Competition will provide the required Deliverables for the price quoted in their Bid in accordance with the general terms and conditions contained in the Master Framework Agreement and any specific terms and conditions included in the Solicitation Document used for the Roster Competition.

If the Procurement Value of the required goods and services associated with the work assignment is below the Open Competition Thresholds, an invitational quote process may be used to solicit quotes from the Suppliers on the Qualified Supplier Roster, in accordance with the Master Framework Agreement and any applicable procedures established by Procurement Services.

If the Procurement Value of the required goods and services associated with the work assignment is at or above the Open Competition Thresholds, Procurement Services is responsible for conducting the Roster Competition in accordance with the following:

- (a) The notice of intended Procurement must be publicly posted online and must indicate that inclusion on the Qualified Supplier Roster is a condition of participation in the Roster Competition.
- (b) The time period for submission of Bids must not be less than ten calendar days. Longer time periods of up to 25 days should be provided whenever possible.
- (c) If a Supplier that is not included on the Qualified Supplier Roster submits a request to participate in the Roster Competition and submits all required information necessary to apply for inclusion on the Qualified Supplier Roster within the time period for Bid submission, Procurement Services must consider the application and promptly notify the Supplier of the outcome. Only in exceptional cases, due to the complexity of the procurement, may the Supplier be excluded on the grounds that there was insufficient time to consider their application within the time period allowed for the submission of Bids.

If a Supplier that is not included on the Qualified Supplier Roster submits a request to participate in the Roster Competition and submits all required information necessary to apply for inclusion on the Qualified Supplier Roster within the time period for Bid submission, Supplies and Services should consider the application if there is sufficient time to do so within the time period allowed for the submission of Bids.

Subject: Land Acquisition – Pt. Lot 24, Con. 3, Part 1 59R-17094

To: Council

From: Chief Administrative Office

Report Number: 2021-234

Meeting Date: December 13, 2021

Recommendation:

That Chief Administrative Office Report 2021-234 be received;

That a by-law to authorize entering into an Agreement of Purchase and Sale with 1456408 Ontario Inc. for an agreed upon price of \$268,765 for PT LOT 24 CON 3, Humberstone, being Part 1 Plan 59R-17094 be brought forward; and

That the Mayor and Clerk be authorized to sign and execute any and all documents respecting the purchase of these lands.

Purpose:

The purpose of this report is to obtain Council approval to enter into an Agreement of Purchase and Sale with 1456408 Ontario Inc. to purchase PT LOT 24 CON 3 Humberstone, being Part 1 Plan 59R-17094.

Background:

This property is 10.97 acres and is located on Ramey Road adjacent to City owned property.

Discussion:

Staff commissioned CHS Realty Advisors Inc. to conduct an appraisal on the property and the price agreed upon is consistent with the valuation.

Financial Implications:

It is recommended that the purchase of this property be funded from the Economic Development Land Reserve.

Strategic Plan Alignment:

The initiative contained within this report supports the following pillar(s) of the strategic plan:

- Attracting Business Investment and Tourists to Port Colborne
 - Value: Financial Management to Achieve Financial Sustainability
-

Conclusion:

Staff are recommending that Council approve the agreement to purchase the vacant property located at PT LOT 24 CON 3, Humberstone, being Part 1 Plan 59R-17094 and that the Mayor and Clerk be authorized to sign the agreement and By-Law.

Appendices:

- a. By-law
- b. Purchase Agreement

Respectfully submitted,

Bram Cotton
Economic Development Officer
905-835-2900 x.504
bram.cotton@portcolborne.ca

Report Approval:

All reports reviewed and approved by the Department Director and also the City Treasurer when relevant. Final review and approval by the Chief Administrative Officer.

The Corporation of the City of Port Colborne

By-law No. _____

Being a By-law to Authorize Entering Into an Agreement of Purchase and Sale with 1456408 Ontario Inc. Respecting Pt. Lot 24, Con. 3, Part 1 59R-17094

Whereas at its meeting of December 13, 2021, Council approved the recommendations of Chief Administrative Office Report No. 2021-234, Subject: Land Acquisition – Pt. Lot 24, Con. 3, Part 1 59R-17094; and

Whereas Council is desirous of entering into an Agreement of Purchase and Sale with 1456408 Ontario Inc. for the sale of Pt. Lot 24, Con. 3, Part 1 59R-17094, for the purchase price of \$268,765.00 (plus HST);

Now therefore the Council of The Corporation of the City of Port Colborne enacts as follows:

1. That The Corporation of the City of Port Colborne enter into an Agreement of Purchase and Sale with 1456408 Ontario Inc. respecting Pt. Lot 24, Con. 3, Part 1 59R-17094 for the purchase price of \$268,765.00 (plus HST), which agreement is attached hereto as Schedule “A”.
2. That the Mayor and the Clerk be and each of them is hereby authorized and directed to sign said agreement, together with any documents necessary to complete the conditions of said agreement, and the Clerk is hereby authorized to affix the Corporate Seal thereto.
3. That the City Solicitor be and is hereby directed to prepare and register all such documents in the proper Land Registry Office as may be required to give full force and effect to this By-law.

Enacted and passed this 13th day of December, 2021.

William C. Steele
Mayor

Amber LaPointe
City Clerk



Agreement of Purchase and Sale Commercial

Form 500

for use in the Province of Ontario

This Agreement of Purchase and Sale dated this 13th day of December, 2021

BUYER: The Corporation of the City of Port Colborne, agrees to purchase from
(Full legal names of all Buyers)

SELLER: 1456408 Ontario Inc., the following
(Full legal names of all Sellers)

REAL PROPERTY:

Address

fronting on the east side of Ramey Road

in the City of Port Colborne

and having a frontage of more or less by a depth of more or less

and legally described as PT LT 24, CON 3 HUMBERSTONE, BEING PART 1, PLAN59R-17094 ;

PORT COLBORNE (the "property")
(Legal description of land including easements not described elsewhere)

PURCHASE PRICE: Dollars (CDN\$) 268,765.00

Two Hundred Sixty-Eight Thousand Seven Hundred Sixty-Five Dollars

DEPOSIT: Buyer submits Upon acceptance
(Herewith/Upon Acceptance/as otherwise described in this Agreement)

Five Thousand Dollars (CDN\$) 5,000.00

by negotiable cheque payable to Seller's Solicitors "Deposit Holder"
to be held in trust pending completion or other termination of this Agreement and to be credited toward the Purchase Price on completion. For the purposes of this Agreement, "Upon Acceptance" shall mean that the Buyer is required to deliver the deposit to the Deposit Holder within 24 hours of the acceptance of this Agreement. The parties to this Agreement hereby acknowledge that, unless otherwise provided for in this Agreement, the Deposit Holder shall place the deposit in trust in the Deposit Holder's non-interest bearing Real Estate Trust Account and no interest shall be earned, received or paid on the deposit.

Buyer agrees to pay the balance as more particularly set out in Schedule A attached.

SCHEDULE(S) A **attached hereto form(s) part of this Agreement.**

1. IRREVOCABILITY: This offer shall be irrevocable by Buyer until 5 p.m. on
(Seller/Buyer) (a.m./p.m.)
the day of December, 2021, after which time, if not accepted, this offer shall be null and void and the deposit shall be returned to the Buyer in full without interest.

2. COMPLETION DATE: This Agreement shall be completed by no later than 6:00 p.m. on the day of
See Schedule "A", 20..... Upon completion, vacant possession of the property shall be given to the Buyer unless otherwise provided for in this Agreement.

INITIALS OF BUYER(S):

INITIALS OF SELLER(S):

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3. **NOTICES:** The Seller hereby appoints the Listing Brokerage as agent for the Seller for the purpose of giving and receiving notices pursuant to this Agreement. Where a Brokerage (Buyer's Brokerage) has entered into a representation agreement with the Buyer, the Buyer hereby appoints the Buyer's Brokerage as agent for the purpose of giving and receiving notices pursuant to this Agreement. **Where a Brokerage represents both the Seller and the Buyer (multiple representation), the Brokerage shall not be appointed or authorized to be agent for either the Buyer or the Seller for the purpose of giving and receiving notices.** Any notice relating hereto or provided for herein shall be in writing. In addition to any provision contained herein and in any Schedule hereto, this offer, any counter-offer, notice of acceptance thereof or any notice to be given or received pursuant to this Agreement or any Schedule hereto (any of them, "Document") shall be deemed given and received when delivered personally or hand delivered to the Address for Service provided in the Acknowledgement below, or where a facsimile number or email address is provided herein, when transmitted electronically to that facsimile number or email address, respectively, in which case, the signature(s) of the party (parties) shall be deemed to be original.

FAX No.:
(For delivery of Documents to Seller)

FAX No.:
(For delivery of Documents to Buyer)

Email Address:
(For delivery of Documents to Seller)

Email Address:
(For delivery of Documents to Buyer)

4. **CHATELS INCLUDED:**
None

Unless otherwise stated in this Agreement or any Schedule hereto, Seller agrees to convey all fixtures and chattels included in the Purchase Price free from all liens, encumbrances or claims affecting the said fixtures and chattels.

5. **FIXTURES EXCLUDED:**
None

6. **RENTAL ITEMS (Including Lease, Lease to Own):** The following equipment is rented and **not** included in the Purchase Price. The Buyer agrees to assume the rental contract(s), if assumable:
None

The Buyer agrees to co-operate and execute such documentation as may be required to facilitate such assumption.

7. **HST: If the sale of the property (Real Property as described above) is subject to Harmonized Sales Tax (HST), then such tax shall be in addition to the Purchase Price.** The Seller will not collect HST if the Buyer provides to the Seller a warranty that the Buyer is registered under the Excise Tax Act ("ETA"), together with a copy of the Buyer's ETA registration, a warranty that the Buyer shall self-assess and remit the HST payable and file the prescribed form and shall indemnify the Seller in respect of any HST payable. The foregoing warranties shall not merge but shall survive the completion of the transaction. If the sale of the property is not subject to HST, Seller agrees to certify on or before closing, that the transaction is not subject to HST. Any HST on chattels, If applicable, is not included in the Purchase Price.

INITIALS OF BUYER(S):



INITIALS OF SELLER(S):





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8. **TITLE SEARCH:** Buyer shall be allowed until 6:00 p.m. on the day of 5 days prior to Closing....., 20....., (Requisition Date) to examine the title to the property at his own expense and until the earlier of: (i) thirty days from the later of the Requisition Date or the date on which the conditions in this Agreement are fulfilled or otherwise waived or; (ii) five days prior to completion, to satisfy himself that there are no outstanding work orders or deficiency notices affecting the property, that its present use (Industrial) may be lawfully continued and that the principal building may be insured against risk of fire. Seller hereby consents to the municipality or other governmental agencies releasing to Buyer details of all outstanding work orders and deficiency notices affecting the property, and Seller agrees to execute and deliver such further authorizations in this regard as Buyer may reasonably require.
9. **FUTURE USE:** Seller and Buyer agree that there is no representation or warranty of any kind that the future intended use of the property by Buyer is or will be lawful except as may be specifically provided for in this Agreement.
10. **TITLE:** Provided that the title to the property is good and free from all registered restrictions, charges, liens, and encumbrances except as otherwise specifically provided in this Agreement and save and except for (a) any registered restrictions or covenants that run with the land providing that such are complied with; (b) any registered municipal agreements and registered agreements with publicly regulated utilities providing such have been complied with, or security has been posted to ensure compliance and completion, as evidenced by a letter from the relevant municipality or regulated utility; (c) any minor easements for the supply of domestic utility or telecommunication services to the property or adjacent properties; and (d) any easements for drainage, storm or sanitary sewers, public utility lines, telecommunication lines, cable television lines or other services which do not materially affect the use of the property. If within the specified times referred to in paragraph 8 any valid objection to title or to any outstanding work order or deficiency notice, or to the fact the said present use may not lawfully be continued, or that the principal building may not be insured against risk of fire is made in writing to Seller and which Seller is unable or unwilling to remove, remedy or satisfy or obtain insurance save and except against risk of fire (Title Insurance) in favour of the Buyer and any mortgagee, (with all related costs at the expense of the Seller), and which Buyer will not waive, this Agreement notwithstanding any intermediate acts or negotiations in respect of such objections, shall be at an end and all monies paid shall be returned without interest or deduction and Seller, Listing Brokerage and Co-operating Brokerage shall not be liable for any costs or damages. Save as to any valid objection so made by such day and except for any objection going to the root of the title, Buyer shall be conclusively deemed to have accepted Seller's title to the property.
11. **CLOSING ARRANGEMENTS:** Where each of the Seller and Buyer retain a lawyer to complete the Agreement of Purchase and Sale of the property, and where the transaction will be completed by electronic registration pursuant to Part III of the Land Registration Reform Act, R.S.O. 1990, Chapter L4 and the Electronic Registration Act, S.O. 1991, Chapter 44, and any amendments thereto, the Seller and Buyer acknowledge and agree that the exchange of closing funds, non-registrable documents and other items (the "Requisite Deliveries") and the release thereof to the Seller and Buyer will (a) not occur at the same time as the registration of the transfer/deed (and any other documents intended to be registered in connection with the completion of this transaction) and (b) be subject to conditions whereby the lawyer(s) receiving any of the Requisite Deliveries will be required to hold same in trust and not release same except in accordance with the terms of a document registration agreement between the said lawyers. The Seller and Buyer irrevocably instruct the said lawyers to be bound by the document registration agreement which is recommended from time to time by the Law Society of Ontario. Unless otherwise agreed to by the lawyers, such exchange of Requisite Deliveries shall occur by the delivery of the Requisite Deliveries of each party to the office of the lawyer for the other party or such other location agreeable to both lawyers.
12. **DOCUMENTS AND DISCHARGE:** Buyer shall not call for the production of any title deed, abstract, survey or other evidence of title to the property except such as are in the possession or control of Seller. If requested by Buyer, Seller will deliver any sketch or survey of the property within Seller's control to Buyer as soon as possible and prior to the Requisition Date. If a discharge of any Charge/Mortgage held by a corporation incorporated pursuant to the Trust And Loan Companies Act (Canada), Chartered Bank, Trust Company, Credit Union, Caisse Populaire or Insurance Company and which is not to be assumed by Buyer on completion, is not available in registrable form on completion, Buyer agrees to accept Seller's lawyer's personal undertaking to obtain, out of the closing funds, a discharge in registrable form and to register same, or cause same to be registered, on title within a reasonable period of time after completion, provided that on or before completion Seller shall provide to Buyer a mortgage statement prepared by the mortgagee setting out the balance required to obtain the discharge, and, where a real-time electronic cleared funds transfer system is not being used, a direction executed by Seller directing payment to the mortgagee of the amount required to obtain the discharge out of the balance due on completion.
13. **INSPECTION:** Buyer acknowledges having had the opportunity to inspect the property and understands that upon acceptance of this offer there shall be a binding agreement of purchase and sale between Buyer and Seller.
14. **INSURANCE:** All buildings on the property and all other things being purchased shall be and remain until completion at the risk of Seller. Pending completion, Seller shall hold all insurance policies, if any, and the proceeds thereof in trust for the parties as their interests may appear and in the event of substantial damage, Buyer may either terminate this Agreement and have all monies paid returned without interest or deduction or else take the proceeds of any insurance and complete the purchase. No insurance shall be transferred on completion. If Seller is taking back a Charge/Mortgage, or Buyer is assuming a Charge/Mortgage, Buyer shall supply Seller with reasonable evidence of adequate insurance to protect Seller's or other mortgagee's interest on completion.

INITIALS OF BUYER(S):

INITIALS OF SELLERS(S):



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- 15. PLANNING ACT:** This Agreement shall be effective to create an interest in the property only if Seller complies with the subdivision control provisions of the Planning Act by completion and Seller covenants to proceed diligently at his expense to obtain any necessary consent by completion.
- 16. DOCUMENT PREPARATION:** The Transfer/Deed shall, save for the Land Transfer Tax Affidavit, be prepared in registrable form at the expense of Seller, and any Charge/Mortgage to be given back by the Buyer to Seller at the expense of the Buyer. If requested by Buyer, Seller covenants that the Transfer/Deed to be delivered on completion shall contain the statements contemplated by Section 50(22) of the Planning Act, R.S.O.1990.
- 17. RESIDENCY:** (a) Subject to (b) below, the Seller represents and warrants that the Seller is not and on completion will not be a non-resident under the non-residency provisions of the Income Tax Act which representation and warranty shall survive and not merge upon the completion of this transaction and the Seller shall deliver to the Buyer a statutory declaration that Seller is not then a non-resident of Canada;
(b) provided that if the Seller is a non-resident under the non-residency provisions of the Income Tax Act, the Buyer shall be credited towards the Purchase Price with the amount, if any, necessary for Buyer to pay to the Minister of National Revenue to satisfy Buyer's liability in respect of tax payable by Seller under the non-residency provisions of the Income Tax Act by reason of this sale. Buyer shall not claim such credit if Seller delivers on completion the prescribed certificate.
- 18. ADJUSTMENTS:** Any rents, mortgage interest, realty taxes including local improvement rates and unmetered public or private utility charges and unmetered cost of fuel, as applicable, shall be apportioned and allowed to the day of completion, the day of completion itself to be apportioned to Buyer.
- 19. TIME LIMITS:** Time shall in all respects be of the essence hereof provided that the time for doing or completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by Seller and Buyer or by their respective lawyers who may be specifically authorized in that regard.
- 20. PROPERTY ASSESSMENT:** The Buyer and Seller hereby acknowledge that the Province of Ontario has implemented current value assessment and properties may be re-assessed on an annual basis. The Buyer and Seller agree that no claim will be made against the Buyer or Seller, or any Brokerage, Broker or Salesperson, for any changes in property tax as a result of a re-assessment of the property, save and except any property taxes that accrued prior to the completion of this transaction.
- 21. TENDER:** Any tender of documents or money hereunder may be made upon Seller or Buyer or their respective lawyers on the day set for completion. Money shall be tendered with funds drawn on a lawyer's trust account in the form of a bank draft, certified cheque or wire transfer using the Large Value Transfer System.
- 22. FAMILY LAW ACT:** Seller warrants that spousal consent is not necessary to this transaction under the provisions of the Family Law Act, R.S.O.1990 unless the spouse of the Seller has executed the consent hereinafter provided.
- 23. UFFI:** Seller represents and warrants to Buyer that during the time Seller has owned the property, Seller has not caused any building on the property to be insulated with insulation containing ureaformaldehyde, and that to the best of Seller's knowledge no building on the property contains or has ever contained insulation that contains ureaformaldehyde. This warranty shall survive and not merge on the completion of this transaction, and if the building is part of a multiple unit building, this warranty shall only apply to that part of the building which is the subject of this transaction.
- 24. LEGAL, ACCOUNTING AND ENVIRONMENTAL ADVICE:** The parties acknowledge that any information provided by the brokerage is not legal, tax or environmental advice, and that it has been recommended that the parties obtain independent professional advice prior to signing this document.
- 25. CONSUMER REPORTS:** The Buyer is hereby notified that a consumer report containing credit and/or personal information may be referred to in connection with this transaction.
- 26. AGREEMENT IN WRITING:** If there is conflict or discrepancy between any provision added to this Agreement (including any Schedule attached hereto) and any provision in the standard pre-set portion hereof, the added provision shall supersede the standard pre-set provision to the extent of such conflict or discrepancy. This Agreement including any Schedule attached hereto, shall constitute the entire Agreement between Buyer and Seller. There is no representation, warranty, collateral agreement or condition, which affects this Agreement other than as expressed herein. For the purposes of this Agreement, Seller means vendor and Buyer means purchaser. This Agreement shall be read with all changes of gender or number required by the context.
- 27. TIME AND DATE:** Any reference to a time and date in this Agreement shall mean the time and date where the property is located.

INITIALS OF BUYER(S):



INITIALS OF SELLERS(S):



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28. SUCCESSORS AND ASSIGNS: The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms herein. SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:

The Corporation of the City of Port

..... (Witness)	Colborne (Buyer/Authorized Signing Officer)	..... (Seal)	..... (Date)
..... (Witness)	..... (Buyer/Authorized Signing Officer)	..... (Seal)	..... (Date)

I, the Undersigned Seller, agree to the above offer. I hereby irrevocably instruct my lawyer to pay directly to the brokerage(s) with whom I have agreed to pay commission, the unpaid balance of the commission together with applicable Harmonized Sales Tax (and any other taxes as may hereafter be applicable), from the proceeds of the sale prior to any payment to the undersigned on completion, as advised by the brokerage(s) to my lawyer.

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:

1456408 Ontario Inc.

..... (Witness)	..... (Seller/Authorized Signing Officer)	..... (Seal)	..... (Date)
..... (Witness)	..... (Seller/Authorized Signing Officer)	..... (Seal)	..... (Date)

SPOUSAL CONSENT: The undersigned spouse of the Seller hereby consents to the disposition evidenced herein pursuant to the provisions of the Family Law Act, R.S.O.1990, and hereby agrees to execute all necessary or incidental documents to give full force and effect to the sale evidenced herein.

..... (Witness) (Spouse) (Seal) (Date)
--------------------	-------------------	-----------------	-----------------

CONFIRMATION OF ACCEPTANCE: Notwithstanding anything contained herein to the contrary, I confirm this Agreement with all changes both typed and written was finally accepted by all parties at this day of, 20.....
(a.m./p.m.)

.....
(Signature of Seller or Buyer)

INFORMATION ON BROKERAGE(S)

Listing Brokerage .....	..... (Tel.No.)
..... (Salesperson/Broker/Broker of Record Name)	
Co-op/Buyer Brokerage .....	..... (Tel.No.)
..... (Salesperson/Broker/Broker of Record Name)	

ACKNOWLEDGEMENT

I acknowledge receipt of my signed copy of this accepted Agreement of Purchase and Sale and I authorize the Brokerage to forward a copy to my lawyer.

..... (Seller)	..... (Date)
..... (Seller)	..... (Date)
Address for Service	
..... (Tel. No.)	
Seller's Lawyer	
Address	
Email	
..... (Tel. No.)	..... (Fax. No.)

I acknowledge receipt of my signed copy of this accepted Agreement of Purchase and Sale and I authorize the Brokerage to forward a copy to my lawyer.

..... (Buyer)	..... (Date)
..... (Buyer)	..... (Date)
Address for Service	
..... (Tel. No.)	
Buyer's Lawyer	
Address	
Email	
..... (Tel. No.)	..... (Fax. No.)

FOR OFFICE USE ONLY

COMMISSION TRUST AGREEMENT

To: Co-operating Brokerage shown on the foregoing Agreement of Purchase and Sale:

In consideration for the Co-operating Brokerage procuring the foregoing Agreement of Purchase and Sale, I hereby declare that all moneys received or receivable by me in connection with the Transaction as contemplated in the MLS® Rules and Regulations of my Real Estate Board shall be receivable and held in trust. This agreement shall constitute a Commission Trust Agreement as defined in the MLS® Rules and shall be subject to and governed by the MLS® Rules pertaining to Commission Trust.

DATED as of the date and time of the acceptance of the foregoing Agreement of Purchase and Sale. Acknowledged by:

.....
(Authorized to bind the Listing Brokerage)

.....
(Authorized to bind the Co-operating Brokerage)

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Schedule A

Agreement of Purchase and Sale – Commercial

This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

BUYER: The Corporation of the City of Port Colborne, and

SELLER: 1456408 Ontario Inc.

for the purchase and sale of Port Colborne

..... dated the 13th day of December, 2021

Buyer agrees to pay the balance as follows:

This form must be initialed by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S):



INITIALS OF SELLER(S):



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SCHEDULE "A"

1) Purchase Price

The Buyer agrees to pay the balance of the Purchase Price, subject to adjustments, by bank draft or certified cheque, to the Seller on the completion of this transaction.

2) Due Diligence Documents

By no later than two (2) business days from the date of acceptance of this Agreement, the Seller will deliver to the Buyer all planning studies, environmental reports, soil tests, engineering reports and all other planning, engineering and survey material relating to the Property in the Seller's possession or control (the "**Due Diligence Documents**").

The Seller will also deliver such other documents in her control and possession that may be reasonably requested by the Buyer to assist in its due diligence by no later than five (5) business days after receipt of such request.

3) Due Diligence Conditions

(a) The Buyer's obligation to complete the transaction of purchase and sale contemplated under this Agreement is conditional for a period of ninety (90) days from the date of acceptance of this Agreement (the "**Conditional Date**") upon the Buyer being satisfied in its sole, absolute and unfettered discretion with respect to each of the following (the "**Due Diligence Conditions**"):

- (i) a review by the Buyer of the Due Diligence Documents relating to the Property;
- (ii) the economic feasibility and/or viability of the Buyer's intended use of the Property and any business operating thereon;
- (iii) the physical condition of the Property and the building situation thereon; and
- (iv) the environmental condition of the Property;

The foregoing conditions are for the sole benefit of the Buyer and may be waived by the Buyer in its sole, absolute and unfettered discretion in whole or in part by written notice to the Seller or its solicitors. In the event that notice of the satisfaction or waiver of this condition has not been provided in writing by the Buyer to the Seller, or the Seller's solicitors, prior to 5 pm on the Conditional Date, then this Agreement shall come to an end upon which it is agreed that neither party shall have any further rights or obligations hereunder and the Deposit will be returned to the Buyer without deduction.

(b) From the date of this Agreement until the Closing Date, the Seller will ensure that the Buyer, its representatives and advisers will, upon reasonable prior notice by the Buyer to the Seller, have full access to the Property to inspect and carry out tests and investigations of the Property, including, without limitation, a Phase I and/or Phase II Environmental Assessment. All tests and investigations carried out by the Buyer or its representatives or advisors will be at the Buyer's sole risk and expense and the Buyer shall not commit waste. Any damage resulting from the Buyer's tests or investigations will be promptly paid for by the Buyer or repaired at its sole expense and the Buyer shall indemnify the Seller in respect of any such damage in the event the transactions contemplated hereby are not successfully completed.

4) Closing Date

The "**Closing Date**" is sixty (60) days after the Buyer delivers notice of the waiver or satisfaction of the Due Diligence Conditions in the manner prescribed in Section 3 above.

5) Notice

Any notice, approval, waiver, agreement, instrument, document or communication permitted, required or contemplated in this Agreement may be given or delivered and accepted or received by the Buyer's solicitors on behalf of the Buyer and by the Seller's solicitors on behalf of the Seller. If the last day of a time period is not a business day in the Province of Ontario, then the time period shall end on the next business day.

Subject: My Main Street - Local Business Accelerator Program

To: Council

From: Chief Administrative Office

Report Number: 2021-314

Meeting Date: December 13, 2021

Recommendation:

That Chief Administrative Office Report 2021-314 be received;

That Council approve the Funding Agreement with the Federal Economic Development Agency for Southern Ontario (FedDev Ontario) for the My Main Street Local Business Accelerator Program, attached as Appendix A to Chief Administrative Office Report 2021-314; and

That a by-law to enter into an agreement with FedDev Ontario be brought forward.

Purpose:

The purpose of this report is to acknowledge the City's success with its application for the My Main Street Local Business Accelerator Program and to request approval of the Funding Agreement with FedDev Ontario.

Background:

In mid-August of this year, staff in Economic Development and Tourism Services were notified of the federal government's announcement of a \$23.25 million investment to help drive business and restore vibrancy to local communities across southern Ontario in the aftermath of the COVID-19 pandemic. The My Main Street initiative is a partnership between the Economic Developers Council of Ontario (EDCO) and the Canadian Urban Institute (CUI) and is funded by Federal Economic Development Agency for Southern Ontario (FedDev Ontario).

Applications for My Main Street and its two funding programs – Community Activator and Local Business Accelerator – opened on October 1, 2021. The Community

Activator Program provides funding for projects that support sustainable placemaking strategies in public spaces like main streets, downtown strips, and plazas. The Local Business Accelerator Program provides \$57,500 in funding for a dedicated Main Street Ambassador and \$100,000 in non-repayable funding contributions to small businesses.

Discussion:

An update delivered on October 27, 2021 announced that Port Colborne will be one of 65 communities to receive the My Main Street Local Business Accelerator Program funding. Over 100 applications from a diverse range of communities across southern Ontario were submitted and reviewed. Staff also submitted an application to the Community Activator Program for 2021 (or year 1) projects and received notification on December 1, 2021 that the City will be given \$13,299 for its LGBTQ2+ community project (in collaboration with the Downtown Port Colborne BIA), which comprised the installation of a rainbow crosswalk at Clarence & West Streets. Staff intend to submit another application to this same program for 2022 (or year 2) projects before the February 1, 2022 deadline.

In total, the City will receive \$70,799 from My Main Street. These non-repayable contributions will go towards reimbursement for the rainbow crosswalk, the hiring of a full-time My Main Street Ambassador for a 12-month contract, and more importantly, access to a \$100,000 funding pool for Port Colborne small businesses. While the details around the small business funding opportunity have yet to be revealed, the My Main Street website states that five \$10,000 grants will be available for existing small businesses and the other five \$10,000 grants will be reserved for new small businesses.

To secure the full \$57,500 for the Local Business Accelerator Program, staff are recommending that Council approve the Funding Agreement with FedDev Ontario. If approved, staff can then move forward with developing a job posting for the My Main Street Ambassador position and advertise it on the City's website. Candidate interviews will take place in mid-January and the successful candidate is expected to start the role in early February.

Adding a My Main Street Ambassador to the Economic Development & Tourism Services division offers the team more capacity to interact with the local business community, encourage a diversity of new businesses, deliver excellent customer service, and grow the entrepreneurial ecosystem in Port Colborne's main commercial districts. Working alongside and supporting the Economic Development Officer, this added capacity will help the City capitalize on its vision of growth and prosperity.

Internal Consultations:

Consultations with the Manager of Strategic Initiatives and Chief Administrative Officer were held prior to applying for My Main Street and its two funding programs.

Financial Implications:

The addition of a full-time Main Street Ambassador to the Economic Development and Tourism Services Division will have very minor financial implications. Besides the workspace, Internet access, and basic office supplies required over the 12-month employment term, the \$57,500 contribution will cover the salary for this position and the various expenses incurred for program delivery.

Public Engagement:

Once the Funding Agreement is signed and submitted, staff will start working with the local business community throughout the 2022 year by providing wrap-around business support and opportunities to access \$100,000 in non-repayable contributions.

Strategic Plan Alignment:

The initiative contained within this report supports the following pillar of the strategic plan:

- Attracting Business Investment and Tourists to Port Colborne
-

Conclusion:

My Main Street is a \$23.25 million FedDev Ontario investment in supporting the recovery and revitalization of main streets across southern Ontario. Recognizing the importance of this funding opportunity for a small city like Port Colborne, City staff applied to My Main Street's two programs – Community Activator and Local Business Accelerator – and will receive \$70,799. To secure the \$57,500 contribution, which will go towards the salary of a Main Street Ambassador and program delivery support, staff are recommending that Council approve the Funding Agreement with FedDev Ontario. Assuming that approval will be given, the program can be scheduled to begin in February 2022.

Appendices:

- a. Funding Agreement – Local Business Accelerator Program

Respectfully submitted,

Bram Cotton
Economic Development Officer
905-835-2900 x.504
Bram.Cotton@portcolborne.ca

Greg Higginbotham
Tourism Coordinator
905-835-2900 x.505
Greg.Higginbotham@portcolborne.ca

Report Approval:

All reports are reviewed and approved by the Department Director and also the City Treasurer when relevant. Final review and approval by the Chief Administrative Officer.

**CONTRIBUTION AGREEMENT –
MAIN STREET AMBASSADOR COMMUNITY NON-REPAYABLE CONTRIBUTION**

Between:

Economic Developers Council of Ontario

and

The Corporation of the City of Port Colborne

SIGNATURE PAGE

In Witness Whereof this Contribution Agreement:

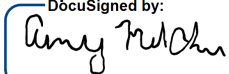
- (a) is entered into by and between the Economic Developers Council of Ontario, hereinafter “EDCO” and **The Corporation of the City of Port Colborne**, hereinafter “Participant”;
- (b) is effective **January 3, 2022** (the “Effective Date”) and terminates **January 3, 2023** (the “Expiration Date”) (subject to the early termination provisions below and in the Contribution Agreement Addendum attached hereto);
- (c) includes all the terms and conditions set out in the Contribution Agreement Addendum attached hereto; and
- (d) if not signed by the Participant within thirty (30) days after initially being provided to the Participant by EDCO may be terminated by EDCO in writing with no additional notice.

Contribution Amount: **\$57,500.00**

Payment to the Participant will be made by Electric Fund Transfer (EFT). The Participant shall complete the EFT Form (see Appendix A)

Attachment A - Main Street Ambassador Non-Repayable Contribution Application (MMSP) is attached hereto.

Economic Developers Council of Ontario

DocuSigned by:

Per _____
7A130F5025F44B8...

Name Amy Matchen Title Director, My Main Street

PARTICIPANT

Per _____

Name Bram Cotton Title _____

**CONTRIBUTION AGREEMENT ADDENDUM –
MAIN STREET AMBASSADOR COMMUNITY NON-REPAYABLE CONTRIBUTION**

WHEREAS, the purpose of this Contribution is for the retention of a Main Street Ambassador in the Participant's community.

WHEREAS, funding for activities performed under this Contribution are provided by EDCO, through an initiative of Her Majesty The Queen In Right Of Canada ("Her Majesty") represented by the Minister (the "Minister") responsible for Federal Economic Development Agency for Southern Ontario.

WHEREAS, as part of the Southern Ontario Prosperity Program, the Minister has approved this project designed to support businesses and stimulate economic activity in communities across Southern Ontario.

WHEREAS, this Contribution is awarded through an application process administered by EDCO pursuant to which the Participant submitted an application (Application).

WHEREAS, Participant has submitted a proposal which has been accepted by EDCO including a plan or scope of work, which is herein incorporated by reference.

NOW THEREFORE, in consideration of the mutual covenants herein below specified and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties herein agree to the following:

EDCO shall:

1. Advance funds to the Participant, upon approval of the Main Street Ambassador Non-Repayable Contribution Application in compliance with contribution guidelines and all Applicable Laws.

The Participant shall:

1. Implement the Main Street Ambassador Non-Repayable Contribution Application (MMSP) as outlined in Attachment A which is on file with EDCO.

2. Be advanced funds in accordance with the approved budget narrative which pertains to this Contribution and is included in the Main Street Ambassador Community Non-Repayable Contribution Application (MMSP) and outlined in Attachment A.
3. Maintain information on all businesses contacted and/or served by the Main Street Ambassador(s) on the HubSpot platform.
4. Submit monthly progress reports, by the 5th of the following month.
5. Submit two interim reports one at 3 months and 6 months, including expenditures and receipts expended for the reporting period.
6. Submit the Final Report including outcomes and receipts for funds expended within the reporting period.

Under no circumstances shall the maximum amount payable under this Contribution Agreement exceed Contribution Amount for the Contribution period.

By signing this Contribution, the Participant affirms that, for the duration of this Agreement and the Contribution, it will not violate any Applicable Law.

SECTION 1 - INTERPRETATION OF THE AGREEMENT

- 1.1 Definitions. The following capitalized terms shall have the meanings set out below unless there is something in the context inconsistent therewith:

“Agreement” means this agreement, the Application, Guidelines, appendices and any amendments to these documents;

“Applicable Laws” means all federal, provincial, territorial, municipal, and other applicable laws, including without limitation, statutes, regulations, by-laws, rules, ordinances and decrees. This includes legal requirements and regulations relating to environmental protection and the successful implementation of and adherence to any mitigation measures, monitoring or follow-up program, which may be prescribed by federal, provincial, territorial, or municipal bodies;

“Centralized Project Partnership” (CPP) means a community partnership which may include BIAs, Municipalities, Chamber of Commerce or Small Business Enterprise Centres;

"Contribution" means financial assistance in the amount of up to the Contribution Amount shown on the Signature Page to this Agreement to be disbursed by EDCO to the Participant in the manner provided in this Agreement;

“My Main Street Program” means the program continued for purposes of creating a supportive and dynamic business environment, and the Minister’s priority of supporting rural communities and small and medium-sized enterprises to enable their recovery from economic disruptions associated with the COVID-19 outbreak;

"Main Street Ambassador" means the person hired to deliver the program in an identified main street community and who will assist main street businesses with their recovery and startup needs;

"Main Street Ambassador Non-Repayable Contribution Application (MMSP)" means the working document submitted by the Participant with the Application and approved by EDCO (as outlined in Attachment A);

"Disbursement" means any advance of funds authorized by EDCO on account of the Contribution;

"Effective Date" is the date the Agreement takes effect;

"Expiration Date" is the date the Agreement expires;

"Guidelines" means the guidelines provided to the Participant with the Application, which set out the terms and conditions for the My Main Street Program, as may be amended from time to time without notice; and

"Term" means the period of time beginning on the Effective Date of this Agreement and ending on the Expiration Date or the termination of this Agreement, whichever is shorter.

SECTION 2 - PARTICIPANT COVENANTS

- 2.1 The Participant shall satisfy the targets set out in the MMSP and shall notify EDCO promptly in accordance with paragraph 7.8 in the event the Participant desires to make any material changes to the MMSP or is unable to meet the targets set out in the MMSP or the Milestones identified in Attachment A.
- 2.2 If the Participant is a BIA, they shall provide a copy of the Municipal By-laws enacting the BIA upon request.
- 2.3 If the Participant is a community partnership and have developed a Centralized Project Partnership (CPP), this Participant will provide a copy of the partnership agreement and/or Memorandum of Understanding signed by all parties including the local BIAs (if applicable and upon request).
- 2.4 The Participant shall comply with and duly observe all Applicable laws.
- 2.5 The Participant agrees that it will provide the Minister with reasonable access to any site at which the Participant owns, controls, or operates in whole or in part, for the purpose of ensuring that the terms and conditions of any environmental approval are met, and that any required conditions, mitigation measures, monitoring or program follow up have been carried out.

- 2.6 The Participant agrees that any assets acquired, constructed, rehabilitated, or improved with the funds provided under this Agreement will not be sold or otherwise disposed of without EDCO's prior written approval for the term of this Agreement.
- 2.7 The Participant shall provide the following in accordance with their individual MMSP:
- a) reporting including timelines, budget tracking, contracts with local Main Street Ambassadors and a duly signed financial report for all expenses within 10 days of the Expiration Date of this Agreement. All receipts for expenses incurred must be kept for seven (7) years and presented upon audit request.

SECTION 3 - PARTICIPANT'S REPRESENTATIONS AND WARRANTIES

- 3.1 The Participant represents and warrants that:
- a) the information supplied in the Application and the MMSP or in support of the MMSP by the Participant is true and accurate. The Participant acknowledges that EDCO has relied upon the truth, authenticity and accuracy of the information in authorizing the Contribution;
 - b) if a Centralized Project Partnership (CPP) is formed, and a formal contract has been entered into by all parties it must:
 - (i) be consistent with this Agreement;
 - (ii) not conflict with this Agreement;
 - (iii) incorporate the provisions of this Agreement to the fullest extent possible;
 - (iv) require all parties to that Contract comply with all applicable laws; and
 - (v) authorize EDCO to perform audits of the parties to that Contract in relation to the Project as EDCO sees fit.

SECTION 4 - THE AWARD

- 4.1 Subject to and in accordance with all the terms and conditions of this Agreement, and in reliance on the representations and warranties in Section 3, EDCO agrees to provide a Contribution to the Participant not to exceed the amount as listed on the Contribution Agreement Signature Page, to assist the Participant to carry out the MMSP.

SECTION 5 - TERMS AND CONDITIONS OF DISBURSEMENT

- 5.1 The Contribution shall be disbursed to the Participant as follows:
- a) the disbursement of the Contribution shall be upon execution of this Agreement by both parties and will follow the identified schedule:
Per
\$15,000 – upon execution of the Agreement by both parties, and submission of the Employment Contract between Participant and Main Street Ambassador
\$25,000 – upon submission and review of interim report three months after Effective Date.

\$17,500 – upon submission and review of interim report six months after Effective Date.

- b) provided that the Participant is and has at all times throughout the Term been in compliance with the terms, conditions and covenants of this Agreement and has provided EDCO, with the following documents on or before the end of the Term.
 - (i) monthly, interim and final reports;
 - (ii) a detailed expenditure statement and accounting, satisfactory to EDCO for the expenditure of the Contribution including a statement of all costs incurred and paid by the Participant on account of the Business together with, invoices and other appropriate records supporting the said expenditures and proof of payment thereof organized; and
 - (iii) any additional documentation required or requested by EDCO.

SECTION 6 – TERMINATION

- 6.1 EDCO shall have the right to terminate this Agreement if the Participant fails to observe, perform, and keep each covenant, agreement, provision, stipulation and condition contained in this Agreement and in such event upon 15 days written notice to the Participant:
 - (i) all obligations of EDCO to make Disbursements on account of the Contribution shall be immediately extinguished; and,
 - (ii) EDCO may, terminate this Agreement and all disbursements made pursuant to this Agreement shall be immediately due and payable by the Participant together with interest at Prime plus 1% per annum as established by the Bank of Canada.

SECTION 7 - GENERAL

7.1 Audit and Access

- a) Subject to any limitations or restrictions placed on the Participant by the Municipal Freedom of Information and Protection of Privacy Act, R.S.O. 1990, c. M.56, the Municipal Act, 2001, S.O. 2001, c. 25 and any other federal, provincial or municipal legislation, regulation, by-law, or policy or procedure concerning municipal record-keeping, records retention or information management, and any amendments to any of the foregoing, all contracts, papers, correspondence, copies, books, payrolls, records, accounts, invoices, statements, accounting records and other information and material of the Participant relating to the expenses incurred by the Participant pursuant to this Agreement shall be open to audit and examination by the Minister or as the Minister directs or by EDCO or its agent at all reasonable times during the Term of this Agreement and for a period of 7 years thereafter, during which period the Participant shall maintain all such records.
- b) The Participant agrees that the Minister has: a right to monitor the implementation of this Agreement or to have a third party with the required expertise to so monitor

same; and a right of access to the Participant's site and its books and accounts consistent with the monitoring and audit rights contained in provision.

- c) The Participant agrees to EDCO, upon request and in a timely manner, for the purpose of releasing to the Auditor General of Canada, all records held by the Participant, or by agents or contractors of the Participant, relating to this Agreement and the use of funds; and such further information and explanations as the Auditor General, or anyone acting on behalf of the Auditor General may request relating to any part of this Agreement or the use of funds.

7.2 Governing Law - This Agreement is to be governed by and interpreted in all respects in accordance with the laws of the Province of Ontario and the laws of Canada.

7.3 Entire Agreement - This Agreement, including the Application and Guidelines, and Main Street Ambassador Plan forms the entire Agreement between the Participant and EDCO and supersedes all prior agreements and understandings. In the event of the expiry or termination of this Agreement, the following provisions shall survive such expiry or termination: 6.1, 7.1, 7.3, 7.5, 7.6, 7.7 (second sentence), 7.8, 7.11, 7.12, 7.13, 7.16 and 7.17.

7.4 Time - Time is of the essence of this Agreement.

7.5 Assignment - This Agreement may not be assigned by the Participant without the prior written consent of EDCO.

7.6 Limitation of Liability and Indemnification

- a) Except where the EDCO is in breach of this Agreement and except for any negligent act or omission of the EDCO or its officers, officials employees or agents, EDCO shall not be responsible or liable for any direct, indirect, or consequential damages whatsoever sustained by the Participant or any of its employees, customers or any other third parties, in connection with this Agreement or the operation of the Participant's Main Street Ambassador, howsoever caused and the Participant hereby indemnifies and saves harmless EDCO, its elected and appointed officials, officers, employees and agents from any loss, liability, or damages that EDCO may incur in connection with the operation of the Participant's MMSP as a result of action by Participant.
- b) The Minister shall have no liability under this Agreement. Without limiting the generality of the foregoing, the Minister shall not be liable for any direct, indirect, special or consequential damages, or damages for loss of revenues or profits of the Participant.
- c) The Participant shall at all times indemnify and save harmless EDCO and Her Majesty, its officers, officials, employees and agents, from and against all claims and demands, losses, damages, actions, suits or other proceedings (including, without limitation, those relating to injury to persons, damage to or loss or destruction of property, or infringement of rights) by whomsoever brought or prosecuted, or threatened to be brought or prosecuted, in any manner based upon

or occasioned by any injury to persons, damage to or loss or destruction of property, or infringement of rights, caused by, or arising directly or indirectly from:

- (i) the implementation of the Participants MMSP funded by the Contribution, their operation, conduct or any other aspect thereof;
- (ii) the performance or non-performance of this Agreement, or the breach or failure to comply with any term, condition, representation or warranty of this Agreement, by the Participant;
- (iii) any omission or other wilful or negligent act or delay of the Participant, except to the extent to which such claims and demands, losses, damages, actions, suits, or other proceedings relate, in the case of the indemnity of Her Majesty and EDCO, to the negligent act or omission of an officer, official, employee, or agent of Her Majesty, in the performance of his or her duties, and, in the case of the indemnity of EDCO, to the negligent act or omission of an officer, official, employee, or agent of EDCO, in the performance of his or her duties.

- 7.7 Insurance - The Participant shall carry all necessary and appropriate insurance that a prudent person in the business of the Participant would maintain. No protection will be afforded to the Participant by the Federal Government or EDCO for any claims arising in connection with this Agreement or the Participants' operation of the Business.
- 7.8 Notices - Any notice, request, demand, consent, approval, correspondence, report or other communication required pursuant to or permitted under this Agreement must be in writing and must be given by personal delivery, or transmitted by email, fax or other electronic message system which provides a hard copy, or be sent by first class mail, postage or charges prepaid, and addressed to the party to whom it is intended at, in the case of the Participant, the address set out in the Application and in the case of EDCO, to the address set out below:

Amy Matchen
Director, My Main Street Local Business Accelerator
Economic Developers Council of Ontario
24 Barry Street East
Long Sault, ON K0C 1P0

amy.matchen@mymainstreet.ca

Any such notice shall be deemed to be received, if personally delivered or sent by email, fax, or other electronic message on the day it is sent and if such notice is sent by first class mail it shall be deemed to have been received on the date that is five days after the date of mailing.

- 7.9 Non-Agent - Nothing in this Agreement shall be construed as creating a partnership, joint venture, agency, or employment relationship between the Participant and EDCO.

- 7.10 Conflict in Documents - In the event of any conflict or inconsistency in this Agreement, (a) the main body of the Agreement shall govern over the Appendices to the Agreement; (b) the Agreement (including its Appendices) shall govern over the Guidelines and the Application; and (c) the Guidelines shall govern over the Application.
- 7.11 Conflict of Interest - The Participant shall ensure that all persons associated with the Business, in any capacity, shall carry out the Main Street Ambassador Plan, in all its aspects, without a conflict of interest. For these purposes, a conflict of interest includes any circumstances where (a) the Participant; or (b) any person who has the capacity to influence the Participant's decisions; has outside commitments, relationships or financial interests that could, or could be seen to, interfere with the Participant's objective, unbiased and impartial judgment relating to the Business and the use of the Contribution. The Participant shall (a) disclose to EDCO, through the Project Manager, without delay any actual or potential situation that may be reasonably interpreted as either a conflict of interest or a potential conflict of interest; and (b) comply with any Terms and Conditions that EDCO may prescribe as a result of the disclosure. The Participant shall ensure that: (a) in the event that it uses lobbyists, they are registered in accordance with the relevant lobbying legislation and that no actual or potential conflict of interest exists nor any contingency fee arrangement; and (b) any former public office holder that derives benefit from this Agreement will be in compliance with the Conflict-of-Interest Act and the Values and Ethics Code for the Public Sector.
- 7.12 Amendments - This Agreement may not be amended, altered, or modified except by a written agreement signed by both EDCO and the Participant.
- 7.13 Waiver - The benefit of any provision of this Agreement may be waived in whole or in part by the party for whose benefit the provision operates and either party may waive any or all of its rights in the event of a breach of any provision of this Agreement by the other party. A waiver is binding on the waiving party only if it is in writing. A waiver may be absolute or may be limited in any way as to duration or scope.
- 7.14 Further Assurances - The Participant agrees at any time and from time to time after the execution and delivery of this Agreement to execute and deliver such further acts and things as EDCO may reasonably request in order to fully effect the purpose of this Agreement.
- 7.15 Force Majeure - Neither party shall be responsible for failures in performance resulting from matters beyond the control of the party, including acts of God, pandemic, riots or other civil insurrection, war, strikes and lockouts.
- 7.16 Severability - The invalidity or unenforceability of any provision of this Agreement or any covenant in it will not affect the validity or enforceability of any other provision or covenant in it, and the invalid provision or covenant will be deemed to be severable.
- 7.17 Communication
- a) The Participant shall not use in its communications (including without limitation announcements, media releases, press releases, publicity, or marketing literature) either EDCO's name, or any marks or logos related to, (including without limitation 'My Main Steet' or 'MMS') without first obtaining EDCO's written approval.

- b) The Participant consents, acknowledges and agrees that the Minister may contact the Participant directly for the purposes of success stories, announcements, ceremonies, and other communications activities and, without limiting the generality of the foregoing:
- (i) acknowledges the federal government's role in the funding provided through this Agreement and will include this acknowledgement in public facing materials and digital and other media content;
 - (ii) consents to a public announcement of its MMSP by or on behalf of the Minister in the form of a news release and/or event;
 - (iii) agrees that the Minister, through the Agency and EDCO, shall inform the Participant of the date the public announcement is to be made, and the Participant shall maintain the confidentiality of the funding agreement until such date;
 - (iv) consents to the participation of the Minister or the Minister's representatives at the announcement event regarding this Agreement and/or the Contribution, and to have the event take place on a day mutually agreed upon by the Participant and the Minister or its representatives;
 - (v) agrees to a media/public event upon completion of this Agreement and/or the Contribution (or at another time determined by the Minister) with the Minister or the Minister's designated representatives at mutually agreeable venue, time, and date; and
 - (vi) agrees to display promotional material and/or signage provided by the Agency at the event.
- c) The Participant also consents and agrees that EDCO may post and maintain on its website a reference to this Agreement and the location and amount of Contribution amount provided pursuant to this Agreement.

[End of Contribution Agreement]

APPENDIX A



Economic
Developers
Council
of Ontario

EFT DIRECT PAYMENT FORM***MY MAIN STREET PROGRAM***

24 Barry Street East Long Sault, ON K0C 1P0

Tel: 613-362-3722

Section A: Vendor Information

Vendor Name:	Vendor ID:
Mailing Address:	Phone:
City: Province:	Postal Code:
Remittance Email Address:	

Section B: Banking Information (please complete all fields to ensure successful EFT transfer)

Transit #: Bank #: Account #:
Name of Financial Institution:
Branch Address:
City/Province: Postal Code:

Section C: Vendor's Authorization

I hereby consent and give EDCO (my main street program) the authorization to use the attached banking information to process an electronic payment directly to my bank account through the use of Electronic Funds Transfer. I also agree to update EDCO (my main street program) should any of the banking information below change.

Authorized Signature

Date

Title



ATTACHMENT A

Local Business Accelerator Application

Applications for the Small Business Accelerator will open October 1, 2021 and will close March 31, 2022 or when all funding has been allocated, whichever comes first.

Questions? Please see the Local Business Accelerator Application Guide on our website at www.mymainstreet.ca or contact us at ambassadors@mymainstreet.ca

Organization Name:	The Corporation of the City of Port Colborne	
Address:	66 Charlotte Street, Port Colborne, ON L3K 3C8	
Contact Name:	Bram Cotton	
Title:	Economic Development Officer	
Phone Number:	905-835-2900 ext. 504	
Email:	Bram.Cotton@portcolborne.ca	
Total non-repayable contribution amount requested:	\$57,500	
Number of Main Street ambassadors requested:	1	
Number of Main Street communities to be served:	1	
Number of Main Street businesses to be served:	100	
Applicant Overview – Please provide an overview of your organization.		



The City of Port Colborne is a lower-tier municipality in the Niagara Region of southern Ontario. Located on Lake Erie and at the south end of the Welland Canal, the presence of the canal provides a competitive advantage, most notably through the billion-dollar industrial marine sector. This sector comprises ports and ships that connect the Atlantic Ocean to the Great Lakes via the national trade corridor. Port Colborne also enjoys excellent connections to transportation infrastructure like rail, air and highways, which all offer easy access to Toronto and the US border.

Per the Municipal Act, 2001, the City is governed by a council of nine elected officials who make decisions about services, operations and financing to ensure the municipality's well-being and interests are maintained. A three-year (2020-2023) strategic plan — including community and corporate priorities that align with and support a long-term vision — guides City council. The plan also describes a city poised to welcome change, preserve quality of life and increase economic activity.

Several economic development projects and tourism initiatives are underway that will bring new investment, jobs and residents to Port Colborne and support its downtown, waterfront, and business community. In addition, an array of recreational, natural, historical and cultural amenities is widely available for residents and visitors to enjoy, thanks in large part to City council's ongoing commitment to community needs and values. Building partnerships with key stakeholders remains a top priority for both council and the City's corporate leadership team, especially because it is through partnerships that Port Colborne will achieve its vision and goals.

Municipal Overview – Please provide an overview of your municipality, including population and demographics.

The population of Port Colborne is 18,306 according to the 2016 census. There was a population decline in Port Colborne of -0.60% (or 118 people) from 2011 to 2016. In comparison, Niagara and Ontario both experienced positive growth from 2001 to 2016. Niagara grew by 3.8% from 2011 to 2016 and Ontario grew by 4.6%. A growing population is one of the main avenues through which a community can increase its economic prospects. Hence, addressing decline and promoting population growth are priorities for the City of Port Colborne.

Employment in Port Colborne is concentrated in three sectors: manufacturing, health care and social assistance, and retail trade. Retail trade jobs outweigh all other industries and manufacturing is the second most dominant. Individuals who reside in Port Colborne but



commute outside for work are included in this statistic. A large portion (43.2%) of Port Colborne residents leave the city for work, and just over 40% of jobs available in Port Colborne are filled by outside residents. From 2011 to 2016, the unemployment rate in Port Colborne increased by 1.4% and the employment rate experienced a corresponding decrease effect of 0.8%.

Statistics Canada – 2016 Census	
Age	
0 to 14 years	13.4%
15 to 64 years	62.0%
65 years and over	24.6%
Gender	
0 to 14 years	14.0% male, 12.8% female
15 to 64 years	63.0% male, 61.1% female
65 years and over	23.1% male, 26.2% female
Income	
Under \$10,000	12.9%
\$10,000 to \$19,999	19.5%
\$20,000 to \$29,999	17.7%
\$30,000 to \$39,999	14.0%
\$40,000 to \$49,999	11.0%
\$50,000 to \$59,999	7.8%
\$60,000 to \$69,999	5.3%
\$70,000 to \$79,999	3.1%
\$80,000 to \$89,999	2.3%
\$90,000 to \$99,999	2.1%
\$100,000 and over	4.4%
Median household income	\$57,244
Median individual income	\$29,977

While median household income declined from 2005 to 2015, median individual income in Port Colborne increased over the 10-year period. The largest income bracket in Port Colborne is \$10,000-\$29,999, with 37.2% of population falling within it. In Niagara and Ontario, the largest individual income bracket is \$20,000-\$39,999 and the largest household income bracket is \$50,000-\$99,999.

More detail information on other demographic variables like [education](#), [housing](#), [ethnic origin](#) and [Aboriginal peoples](#) can be found online.



Main Street Community Overview – please describe the main street area your planned Main Street Ambassador will support, including:

- Demographics and population insights for the neighbourhood and trade area.
- Estimated number of businesses in the main street area.
- Estimated vacancy rate and/or number of vacancies in the main street area.
- An overview of the challenges and opportunities in the main street area (i.e., historic challenges, planning policies, other investments, etc.).
- Highlight if the identified main street area features equity seeking/racialized populations.
- Highlight if the identified main street area was struggling pre-pandemic.
- A map or boundary lines of the main street area that will be served.

If you are applying for multiple Main Street Ambassador non-repayable contributions, please provide an overview for each main street community.

As evidenced by its demographic profile, Port Colborne has a noticeably older population and a limited working age population. There is a shortage of jobs in Port Colborne to satisfy the number of residents in the workforce. There are 6,265 residents from Port Colborne who work, but only 4,835 positions in Port Colborne being filled. This means that even if all positions in Port Colborne were filled, 1,430 local residents would still need to commute elsewhere to find work. Communities without a strong working age population can find it difficult to attract new businesses, as such businesses typically choose to locate where their staffing needs will be met. Attracting businesses that provide well-paying jobs can help to encourage local youth to remain in Port Colborne after completing their education. Existing businesses have expressed frustration in the past with the lack of skilled or adequately qualified workers, particularly in high skilled areas such as manufacturing. Encouraging the hiring of skilled local residents would help to keep more earnings and spending in Port Colborne.

The Main Street Ambassador will support Port Colborne's downtown business area and Main Street business area. These two areas have significant commercial and community importance. A map is included with this application to show catchment. The estimated number of businesses in the downtown and Main Street business areas is 175. The current vacancy in the downtown business area is 15%.

It is important to note the prevalence of small-sized businesses in Port Colborne. 62% of business establishments in Port Colborne are self-employed (i.e., do not maintain an employee payroll but may have a workforce consisting of contracted workers, family members or business owners). Furthermore, a significant portion of existing businesses has been operating in Port Colborne for over 30 years.



Even before the pandemic, many businesses in the downtown and Main Street business areas reached stagnation and began showing early signs of deterioration. The effects of the pandemic have only exacerbated the situation. Some businesses have been affected disproportionately compared to others. Businesses in the downtown and Main Street areas that rely on person-to-person interaction and gatherings of people — including two of Port Colborne's most dominant sectors (i.e., retail trade and health care and social assistance) — experienced staggering revenue losses and difficulties paying for fixed expenses.

Challenges and opportunities that are relevant to the downtown and Main Street business areas have been identified through the City's Economic Development Strategic Plan: 2018-2028.

Challenges

- Attract and increase new investment;
- Provide services to existing businesses to assist with business retention and growth or expansion, as up to 90% of new jobs come from existing businesses;
- Address the limited availability of small offices or co-working spaces as well as the lack of evening activity, short-term accommodation options and gathering spaces for residents, visitors and events;
- Focus on reducing vacant storefronts, which give visitors a negative first impression and undesirable perception of Port Colborne; and
- Support businesses who need to obtain financing to address dated and tired building facades and signage.

Opportunities

- Maintain and enhance Port Colborne's unique character by updating building facades and signage as well as by adding more amenities to be pedestrian and cycle friendly;
 - Have a strong visual and physical relationship with the Welland Canal and celebrate Port Colborne's history as a working port;
- Be an active and vibrant commercial area at all times throughout the day and year;
 - Have a greater variety of retail shops and stores selling goods as well as longer opening hours;
- Encourage collaboration and partnerships between various levels of government to attract employment and allow for growth in key sectors;
 - Facilitate investment readiness in advanced manufacturing, tourism, health care and social services, marine transportation, distribution and logistics, food processing, biosciences, green technologies and interactive media;

MY MAIN STREET

MA RUE PRINCIPALE

- Launch marketing campaigns that highlight opportunities to rent high quality commercial properties at a reasonable cost;
- Deliver a diverse range of affordable housing options and have more people live in Port Colborne's commercial areas; and
- Provide land and infrastructure for the continued sustainable development of tourism attractions and facilities.

The downtown and Main Street business areas are in serious need of more representation from equity-seeking/racialized populations. Statistics from the 2016 census indicate that the most common visible minorities in Port Colborne are Black (0.5%), South Asian (0.5%) and Chinese (0.3%). The highest proportion of Indigenous people to municipality population for the whole Niagara region is in Port Colborne at 5.2% (or 1,395). A statistical portrait of Port Colborne's diverse LGBTQ2+ community is expected upon the release of data from the 2021 census.

Main Street Community Objectives – please provide an overview of why it is important to focus on the identified main street. Include the goals of the Main Street Ambassador (i.e., diversifying retail options, reducing vacancies, establishing a future BIA, etc.).

If you are applying for multiple Main Street Ambassador non-repayable contributions, please provide an overview for each main street community.

The Main Street Ambassador will work with staff in the City's Economic Development & Tourism Services division and key community stakeholders (*see next response*) on fulfilling the opportunities listed above and focusing on the following areas:

- Providing hands-on dedicated business advisory support to entrepreneurs by prioritizing service excellence;
- Adopting an inclusive approach and sharing available support to reduce the barriers faced by underrepresented groups and equity-seeking communities;
- Engaging all businesses in the main business areas and gathering insights;
- Diversifying the local economy by recruiting entrepreneurs to fill market gaps;
- Encouraging job creation through the attraction of new businesses from desirable industries and sectors;
- Building up a stronger retail mix while also generating inclusive economic opportunities;
- Coordinating initiatives to sell the main business areas as "open for business" and places to live and invest in;
- Boosting efforts to improve curb appeal and property standards;
- Helping reduce vacancies by contributing to a lead generation program;



- Developing promotional and marketing campaigns to change perceptions of Port Colborne as a place for a young and talented labour force; and
- Investigating the feasibility for creating a co-working space to support start-up companies and new entrepreneurs.

Community Partnerships – identify and provide an overview of roles for any community partnerships that will be leveraged to deliver the program to the Main Street Community(s) identified (i.e., Small Business Enterprise Centre, Business Improvement Areas, CFDC, service clubs, etc.).

The City of Port Colborne plans to leverage its existing community partnerships to successfully deliver the My Main Street program. Support has been received from the Downtown Port Colborne BIA, Main Street BIA and Port Colborne-Wainfleet Chamber of Commerce.

Contacts: Jesse Boles, Chair, jessepocobia@gmail.com
Downtown Port Colborne BIA

Kim Danch, Board Member, mainstreetbia@gmail.com
Main Street BIA

Dolores Fabiano, Executive Director, dolores@niagarafallschamber.com
Port Colborne-Wainfleet Chamber of Commerce

Entrepreneurs looking to start a business in Port Colborne are supported by the business development and advisory services offered through the Niagara Falls Small Business Enterprise Centre (SBEC). Staff at the City, including the Main Street Ambassador, will continue partnering with this SBEC.

Project Management – please provide an overview of how the project will be managed, including:

- Indicate who will have project oversight.
- Indicate who will be responsible for Main Street Ambassador(s) and who will be the administrator.
- Indicate who will be the financial oversight and detail how expenditures will be recorded and maintained.

Bram Cotton, economic development officer at the City of Port Colborne, will provide project oversight, be responsible for the Main Street Ambassador and act as the administrator.



Together with the City of Port Colborne's division of Corporate Services, Bram will be responsible for financial oversight and recording and maintaining details on expenditures. Expenditures will be recorded and maintained through municipal financial management software.

Hiring Strategy – detail the hiring strategy and methodology for recruiting.

If the City of Port Colborne is successful with this application, staff in the City's human resources (HR) department will be advised to focus on equity-seeking members and hire a Main Street Ambassador with a connection to the local community. From there, HR staff will create a job posting and advertise it on the City's website. They may use local job boards and popular sites like Indeed and Glassdoor to distribute the posting further. HR staff will also look to staff in the City's Corporate Communications department to advertise the job on social media and share it with local organizations or associations representing underrepresented population members. The City of Port Colborne enjoys a working relationship with Niagara College and Brock University. Key contacts at both institutions can be leveraged to assist with the recruitment of new graduates or alumni. Different hiring strategies, such as paid advertising and employee referrals, may be implemented to ensure suitable local candidates submit an application.

PROJECT TIMELINE

Anticipated Launch Date of Project:	January 3, 2022
Estimated start date for recruiting Main Street Ambassador(s):	November 15, 2021
Estimated completion date for Main Street Ambassador(s):	December 30, 2022

Funding Overview

Program Delivery Support – identify additional program costs for local delivery up to \$7,500 per Main Street Ambassador Non-Repayable Contribution. This can include computer, cell phone, travel, PPE, hotspot, marketing resources, etc. Add more rows as required.

Eligible Area	# of Businesses	Type of Planned Expenditures	X \$7,500
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Downtown & Main Street	100	Laptop, cell phone, travel, marketing resources and delivery expenses	\$7,500		
		Total	\$ 7,500		
Main Street Ambassador Salary – identify the salaries for each Main Street Ambassador. Add more rows as required.					
Eligible Area	Pay Rate Per Hour	Months applied to program	Total Salary	Partner Contribution:	Salary Cost Charged to Program (up to \$50,000)
Downtown & Main Street	\$27.50	12	\$50,050 (Gross) \$39,306 (Net)	\$50	\$50,000
	\$		\$	\$	\$
Total				\$50	\$50,000
Partner Resources / Matching / In-Kind Funds					
Staffing Costs (Main Street Ambassador Staffing)				\$4,300	\$ x \$50,000
Other Staffing Costs (Support Staff, Additional Partner Staff, etc.)				\$8,000	NA
Program Delivery Support				\$2,200	\$ x \$7,500
Total				\$14,500	\$57,500





Subject: Application - Southwestern Ontario Development Fund

To: Council

From: Chief Administrative Office

Report Number: 2021-313

Meeting Date: December 13, 2021

Recommendation:

That Chief Administrative Office Report 2021-313 be received;

That the Manager of Strategic Initiatives be directed to submit an application to the community economic development stream of the Southwestern Ontario Development Fund (SWODF) for the waterfront centre project including servicing and improved linkages and pathways to the downtown core; and

That Council commit to funding the City's share of the project from the 2022 Capital Budget.

Purpose:

The purpose of this report is to seek Council's support for the City's application to the community economic development stream of the Southwestern Ontario Development Fund.

Background:

The Southwestern Ontario Development Fund (SWODF) is a provincial funding program administered through the Ministry of Economic Development, Job Creation and Trade Services (MEDJCT). The program is designed to provide businesses, municipalities and not-for-profit organizations with support for economic development projects. The City of Port Colborne intends to apply to the community economic development stream of this funding program.

The City's waterfront redevelopment plans, including the construction of the new waterfront centre, meet SWODF eligibility criteria. In fact, the City's proposed

application to SWODF has already been screened for eligibility by MEDJCT officials and was determined to be eligible for the second step of the application process, which entails completing a full application.

One of the primary objectives of the City's waterfront redevelopment plans, including the focus of the SWODF application, is to generate increased economic activity, tourism, new jobs and attract commercial investment and residential development.

Discussion:

The cost of the new waterfront centre is estimated to be \$5 million and staff have been investigating potential funding sources. SWODF provides an opportunity to acquire a provincial government contribution of \$1.5 million toward the construction of the waterfront centre, site servicing, and walkable pathways and improved linkages. The federal government is providing \$750,000 towards the waterfront centre through the Canada Community Revitalization Fund (CCRF).

If successful in obtaining the grant, the \$1.5 million in funding support from SWODF, together with \$1.5 million in matched funding committed in the City's 2022 Capital Budget and provided through the CCRF, will be used to deliver site servicing (\$500,000) at the centre, create walkable pathways and improve linkages (\$500,000) between the property area and downtown, and assist with the cost of constructing the waterfront centre (\$2,000,000).

Financial Implications:

During budget discussions, staff indicated that the estimated cost of the waterfront centre would be approximately \$5 million. This total is based on a high-level opinion of probable costs provided by R.J. Burnside & Associates and updated by City staff. A more accurate cost estimate will be available in the first half of 2022 once architectural drawings and detailed design, as well as a site servicing plan, are finalized.

The \$5 million estimate includes construction, architectural and engineering fees, servicing, signage, landscaping and beautification, walkways and improved accessibility, lighting, paving, a project contingency, as well as required gates and fencing to comply with Transport Canada and marine transportation security regulations.

No new funding is being requested from Council for the SWODF application because project funding has already been allocated in the approved 2022 Capital Budget, and the City has secured \$750,000 from the federal government through the CCRF which can be used as matching funding for the SWODF application.

Staff are developing a waterfront centre project financial model that will show minimal impact on the City's levy budget and this will be presented to Council as part of a project update in Q1 2022. Financing options will include non-tax levy sources, federal/provincial grants, commercial lease revenue, and naming rights.

SWODF Application Breakdown	
Site Servicing (A.13 in the 2022 Capital Budget)	\$500,000
Walkable Pathways and Improved Linkages (E. 6 and A.13 in the 2022 Capital Budget)	\$500,000
Construction of the Waterfront Centre (A.13 in the 2022 Capital Budget)	\$2,000,000
Total	\$3,000,000
<ul style="list-style-type: none"> • \$1.5 million is being requested from SWODF • \$1.5 million is being funded by both CCRF (\$750,000), A.13 (\$500,000, Waterfront Centre) and E. 6 (\$250,000 Promenade Improvements) in the 2022 Capital Budget 	

Strategic Plan Alignment:

The initiative contained within this report supports the following pillars of the strategic plan:

- Attracting Business Investment and Tourists to Port Colborne
- Value: Financial Management to Achieve Financial Sustainability
- City-wide Investments in Infrastructure and Recreational / Cultural Spaces

Conclusion:

The vision statement in the City's 2020-2023 Strategic Plan reads: "a vibrant waterfront community embracing growth for future generations". Economic Development and Tourism Services staff identified SWODF as a program that aligns with this vision. Applications are due December 14, 2021, and staff feel it would be advantageous to have a resolution from Council to include with the application.

Securing \$1.5 million from the province's SWODF program, matched by the federal government's \$750,000 commitment and \$750,000 in allocations from the City's 2022 Capital Budget, will assist with the cost of constructing the waterfront centre, site servicing, and creating walkable pathways to improve linkages to City parks, public spaces, West Street, and the downtown core.

Respectfully submitted,

Bram Cotton
Economic Development Officer
905-835-2900 x.504
Bram.Cotton@portcolborne.ca

Gary Long
Manager of Strategic Initiatives
905-835-2900 x.502
Gary.Long@portcolborne.ca

Greg Higginbotham
Tourism Coordinator
905-835-2900 x.505
Greg.Higginbotham@portcolborne.ca

Report Approval:

All reports reviewed and approved by the Department Director and also the City Treasurer when relevant. Final review and approval by the Chief Administrative Officer.



**Subject: Petition for Drainage for Northland Estates Subdivision
2021-308**

To: Council

From: Public Works Department

Report Number: 2021-308

Meeting Date: December 13, 2021

Recommendation:

That Public Works Department Report 2021-308 be received; and

That Council approve allowing Brandon Widner of Spriet Associates to investigate the validity of the petition and proceed, if valid, under the previous appointment outlined in By-law No. 6736/100/19 for the Eagle Marsh Drain.

Purpose:

This report is being written as a requirement of the *Drainage Act* and all “sections” quoted herein will be a reference to sections of the *Drainage Act*, R.S.O. 1990. Pursuant to Section 5, after the filing of a “Section 4 Petition”, the Council of the municipality shall consider the petition and decide if it shall or shall not proceed.

Background:

Brandon Widner of Spriet Associates Engineers & Architects (Spriet Associates) was appointed through By-law No. 6736/100/19 (attached as Appendix B) under Section 8 and 78 to complete a new engineer’s report for the Eagle Marsh Drain. The report is currently being studied and worked on with the potential of completing this project next year. To date there has been one public consultation for the individuals directly affected by the Eagle Marsh Drain.

A petition has been signed by a property owner who intends to develop land into a subdivision at the west end of Northland Avenue. The current drainage pattern of this parcel is southwest overland flow while utilizing a small existing ditch which drains due south to the Eagle Marsh Municipal Drain.

The timing of the filed petition aligns with works that are already underway.

Discussion:

Approximately in 2003, a petition was signed for the same development. Spriet Associates was appointed to investigate whether the petition was valid and to complete survey work. Being that the petition was valid, a survey of the area was done. During this time however, the original petitioner for this drain extension ceased all communication with the City. Since some work was already completed, an invoice from the engineer was issued and subsequently paid by the municipality. It is recommended that some of the work from that survey be reused, which would then allow the municipality to recuperate the funds previously expended.

Should this report be accepted by Council, the next step would be to present the petition to the Niagara Peninsula Conservation Authority to see if an environmental appraisal is required. Upon receipt of this decision, the report for this petition will begin.

Financial Implications:

All costs associated with this petition shall be assessed through the Engineer's Report and be held by the City until the assessments can be recovered through the billing of the watershed of the Eagle Marsh Drain. As per the Agricultural Drainage Infrastructure Program's Administrative Policies, interest may be accrued on the cost of the project until 120 days after completion of the construction.

Public Engagement:

The *Drainage Act* requires many points of contact with the landowners that are involved in each watershed. Meetings will be held in accordance with the requirements of the *Drainage Act* and on an as-required basis.

Strategic Plan Alignment:

The initiative contained within this report supports the following pillar(s) of the strategic plan:

- Service and Simplicity - Quality and Innovative Delivery of Customer Services
- Attracting Business Investment and Tourists to Port Colborne
- City-Wide Investments in Infrastructure and Recreational/Cultural Spaces
- Governance: Communications, Engagement, and Decision-Making

Conclusion:

The City is bound by the *Drainage Act* to comply and proceed accordingly. Staff have been involved in studies about the area described in the application and this petition will allow for the development of the future Northland Estates. This development would create new revenue for the municipality through residential taxes. Should the petition be valid, this petition can either be a branch drain under the Eagle Marsh Drain or under its own report. If this work is to be considered a branch drain of the Eagle Marsh Drain, a nominal increase in the cost of the original report will be realized. If this petition is considered under its own report, the costs will be recovered through the watershed served by this petition.

Appendices:

- a. Form 1 Petition for Drainage Works by Owner
- b. By-law No. 6736/100/19

Respectfully submitted,

Alana Vander Veen
Drainage Superintendent
905-835-2900 ext. 291
Alana.VanderVeen@PortColborne.ca

Report Approval:

All reports reviewed and approved by the Department Director and also the City Treasurer when relevant. Final review and approval by the Chief Administrative Officer.



Ministry of Agriculture,
Food and Rural Affairs

Petition for Drainage Works by Owners Form 1

Drainage Act, R.S.O. 1990, c. D.17, clause 4(1)(a) or (b)

This form is to be used to petition municipal council for a new drainage works under the Drainage Act. It is not to be used to request the improvement or modification of an existing drainage works under the Drainage Act.

To: The Council of the Corporation of the City of Port Colborne

The area of land described below requires drainage (provide a description of the properties or the portions of properties that require drainage improvements)

See Attached Sketch

In accordance with section 9(2) of the Drainage Act, the description of the area requiring drainage will be confirmed or modified by an engineer at the on-site meeting.

As owners of land within the above described area requiring drainage, we hereby petition council under subsection 4(1) of the Drainage Act for a drainage works. In accordance with sections 10(4), 43 and 59(1) of the Drainage Act, if names are withdrawn from the petition to the point that it is no longer a valid petition, we acknowledge responsibility for costs.

Purpose of the Petition (To be completed by one of the petitioners. Please type/print)

Contact Person (Last Name)

THOMP

(First Name)

Alex

Address

[Redacted Address]

Location of Project

Lot

31

Concession

3

Municipality

City of Port Colborne

Former Municipality (if applicable)

What work do you require? (Check all appropriate boxes)

- ☒ Construction of new open channel
- ☐ Construction of new tile drain
- ☐ Deepening or widening of existing watercourse (not currently a municipal drain)
- ☐ Enclosure of existing watercourse (not currently a municipal drain)
- ☐ Other (provide description ▼)

Eagle Marsh Drain

Name of watercourse (if known)

SOON

Estimated length of project

mixture of silt and clay with sand & gravel

General description of soils in the area

What is the purpose of the proposed work? (Check appropriate box)

- ☐ Tile drainage only
- ☒ Surface water drainage only
- ☐ Both

Petition filed this 22 day of November, 2021

Name of Clerk (Last, first name)

LaPointe Amber

Signature

[Signature]

Property Owners Signing The PetitionPage of

- Your municipal property tax bill will provide the property description and parcel roll number.
- In rural areas, the property description should be in the form of (part) lot and concession and civic address.
- In urban areas, the property description should be in the form of street address and lot and plan number if available.
- If you have more than two properties, please take copy(ies) of this page and continue to list them all.

Number Property Description Ward or Geographic Township Parcel Roll Number

I hereby petition for drainage for the land described and acknowledge my financial obligations.

Ownership☐ Sole OwnershipOwner Name (Last, First Name) (Type/Print) Signature Date (yyyy/mm/dd) ☐ Partnership (Each partner in the ownership of the property must sign the petition form)Owner Name (Last, First Name) (Type/Print) Signature Date (yyyy/mm/dd) ☒ Corporation (The individual with authority to bind the corporation must sign the petition)Name of Signing Officer (Last, First Name) (Type/Print) 2600261 Ontario IncSignature Name of Corporation Position Title I have the authority to bind the Corporation.
Date (yyyy/mm/dd) Number Property Description Lot 31 Concession 3Ward or Geographic Township City of Port ColborneParcel Roll Number

I hereby petition for drainage for the land described and acknowledge my financial obligations.

Ownership☐ Sole OwnershipOwner Name (Last, First Name) (Type/Print) Signature Date (yyyy/mm/dd) ☐ Partnership (Each partner in the ownership of the property must sign the petition form)Owner Name (Last, First Name) (Type/Print) Signature Date (yyyy/mm/dd) ☐ Corporation (The individual with authority to bind the corporation must sign the petition)Name of Signing Officer (Last, First Name) (Type/Print) Signature Name of Corporation Position Title I have the authority to bind the Corporation.
Date (yyyy/mm/dd) ☒ Check here if additional sheets are attachedClerk initial DS

Petitioners become financially responsible as soon as they sign a petition.

- Once the petition is accepted by council, an engineer is appointed to respond to the petition. *Drainage Act*, R.S.O. 1990, c. D. 17 subs. 8(1).
- After the meeting to consider the preliminary report, if the petition does not comply with section 4, the project is terminated and the original petitioners are responsible in equal shares for the costs. *Drainage Act*, R.S.O. 1990, c. D. 17 subs. 10(4).
- After the meeting to consider the final report, if the petition does not comply with section 4, the project is terminated and the original petitioners are responsible for the costs in shares proportional to their assessment in the engineer's report. *Drainage Act*, R.S.O. 1990, c. D. 17 s. 43.
- If the project proceeds to completion, a share of the cost of the project will be assessed to the involved properties in relation to the assessment schedule in the engineer's report as amended on appeal. *Drainage Act*, R.S.O. 1990, c. D. 17 s. 61.

Notice of Collection of Personal Information

Any personal information collected on this form is collected under the authority of the *Drainage Act*, R.S.O. 1990, c. D. 17 and will be used for the purposes of administering the Act. Questions concerning the collection of personal information should be directed to where the form is addressed to a municipality (municipality to complete)

and where the form is addressed to a territory without municipal organization, the Drainage Coordinator, Ministry of Agriculture, Food and Rural Affairs, 1 Stone Rd W, Guelph ON N1G 4Y2, 519 828-3552.

Stormwater Outlet / Extension of Drain in Creek



2021 05 27

Northland Estates

The Corporation of the City of Port Colborne

By-law No. 6736/100/19

Being a By-law to Authorize Entering Into an Engineering Agreement with Spriet Associates Engineers & Architects for the Eagle Marsh Municipal Drain

Whereas at its meeting of November 12, 2019 Council approved the recommendations of Engineering and Operations Department, Engineering Division Report 2019-172, Subject: Eagle Marsh Municipal Drain – Appointment of Engineer; and

Whereas Council approved the appointment of Brandon Widner, P. Eng. of Spriet Associates Engineers & Architects to proceed forward with the preparation of a new report to address the watershed limit of the drain and to revise the assessment schedules of this report.

Now therefore the Council of The Corporation of the City of Port Colborne under the *Drainage Act R.S.O. 1990*, enacts as follows:

1. That the Corporation of the City of Port Colborne enter into an Engineering Agreement with Spriet Associates Engineers & Architects regarding the Eagle Marsh Municipal Drain.
2. That the Mayor and Clerk be and they are hereby authorized and directed to sign an Engineering Agreement, and the Clerk is hereby authorized to affix the Corporate Seal thereto.

Enacted and passed this 12th day of November, 2019.


Frank Danch
Deputy Mayor


Amber LaPointe
City Clerk

Subject: Niagara Transit Governance - Creation of a Consolidated Transit Commission

To: Council

From: Chief Administrative Office

Report Number: 2021-317

Meeting Date: December 13, 2021

Recommendation:

That Chief Administrative Office Report 2021-317 be received; and

That Council consents to the passage of By-law No. 2021-96 of The Regional Municipality of Niagara, being a by-law to provide Niagara Region with the exclusive authority to establish, operate and maintain a consolidated passenger transportation system for the Niagara Region.

Purpose:

The purpose of this report is to seek Council's support in creating a single, consolidated transit system, in the form of a new Transit Commission that would formally integrate the Regional and local transit systems currently operating across Niagara.

This support is being sought as part of the triple-majority process required to transfer responsibility for transit to the Region.

Background:

The vision for a single regional transit agency for Niagara is a long-standing one going back as early as the late 1990s. Today in Niagara, transit is delivered by a mix of different levels of government delivering different services, with different operating hours, standards or frequency of service, and with significant barriers to movement across municipal boundaries.

The process towards a consolidated system took a significant step forward in late 2020 with the completion of the Niagara Transit Governance Study (NTGS) which outlined a

recommended governance model for a new transit commission and was brought forward with an associated financial strategy.

Through 2021, the Governance Steering Committee (GSC), led by all thirteen CAOs across Niagara, has undertaken significant consultation on the proposed strategies for consolidation (governance, financial, and service standards).

This consultation included two rounds of engagement with the City of Port Colborne. Report 2021-206 (August 23, 2021) confirmed that the previous feedback that was provided by City Council in early 2021 had been addressed, and that there was no further feedback received in anticipation of the triple-majority vote.

On September 29, 2021, the Linking Niagara Transit Committee (LNTC) endorsed the final governance model for the consolidation of transit and recommended the initiation of the triple-majority process to create the new commission.

The first step in the triple-majority process took place on November 25, 2021, when Regional Council supported moving forward, voting 24 to 1 in favour of the motion.

Port Colborne City Council, along with all Niagara Municipalities, is now being asked to provide similar support of the creation of the new commission. To achieve full triple-majority approval a majority of local councils, representing a majority of the electors in Niagara, must now provide their support.

Discussion:

Benefits

Staff feel that introducing an integrated Regional transit system would bring dramatic benefits to the residents of Port Colborne and Niagara as a whole, including:

- Creating a single branded system that can take riders anywhere in the Region, for a single fare, that will break down jurisdictional barriers and connect communities;
- Leveraging and supporting GO rail and bus expansion within the Niagara Region;
- Developing and supporting the economy, job retention, and creating and driving tourism;
- Promoting socially equitable access to transit;
- Being environmentally sustainable and reducing traffic congestion;
- Supporting accessibility through the standardization of accessibility policies and a greater pool of resources to implement improvements; and
- Providing better value and service to the taxpayers of Niagara.

It is only through the move to one consolidated agency that these outcomes can be achieved.

While significant work has been done to improve, integrate, and coordinate the existing systems in Niagara, consolidation will mean a larger and combined resource pool, which will support efficiencies that cannot be otherwise achieved as separate entities duplicating efforts, and which will then be reinvested into the network to enhance service.

Final Governance, Service Standards, and Financial Strategies

Regional Report PW55-2021 (Appendix A) summarizes the final board composition, service standards, and financial strategies that comprise the governance proposal for the creation of the new Transit Commission.

- The **Service Standards Strategy** outlines a three-phased approach to the standardization and enhancement of transit service across Niagara to achieve consistent, equitable access to transit for all Niagara residents and communities, including expanded operating hours and the integration of on-demand and specialized service.
- The **Financial Strategy** proposes that all LAM transit service budgets be uploaded to the Commission in the 2023 budget year, as well as the Region's existing transit budget to be consolidated by the commission and to be assessed to the LAMs by way of special levies to be approved annually by the Region.
- The **Governance Strategy** recommends the creation of a 15-member elected Transitional Commission Board, to be comprised of either Regional or local councillors and including a dedicated representative for Port Colborne, supported by a 20-member Public Advisory Committee. The structure of the transitional board will be re-evaluated as part of an external third-party review, with implementation to coincide with the 2026 municipal election cycle.

These strategies are substantially similar to those presented to Port Colborne Council over the summer of 2021, with only a minor update to the governance strategy confirming the timing for the third-party review.

Next Steps

Should triple-majority be achieved, an approximate one-year transition period would commence during which the commission would be established in advance of the assumption of day-to-day operations on January 1, 2023.

Key activities of this transition period would include formally creating the commission as an agency of the Region, populating the transitional Commission Board and Advisory Committee, negotiating and executing asset transfer agreements with Niagara Falls, St. Catharines, and Welland, and recruiting a General Manager and transitioning staff.

Port Colborne Council would be asked to forward recommendations to the commission for its representatives on the Commission Board and Advisory Committee in the spring of 2022.

Port Colborne Transit – NRT OnDemand Pilot

In parallel to potential consolidation of transit into a new Commission, Port Colborne is currently in the process of transitioning its local transit service to the Niagara Region Transit OnDemand pilot project, with an anticipated launch date of January 3, 2022.

The decision to support a consolidated transit system for Niagara is distinct from the decision for Port Colborne to participate in the NRT OnDemand pilot.

Should triple-majority be achieved, the service standards and financial strategies anticipate that the Commission would continue to deliver on-demand transit services in communities such as Port Colborne, with a potential move to in-house service delivery in the future. Should triple-majority not be achieved, the future of the NRT OnDemand pilot will be a decision to be made by Regional Council in late 2022.

Internal Consultations:

City staff from the Chief Administrative Office and Corporate Services have been actively working with Regional staff and City Communications staff on this initiative.

Financial Implications:

The financial strategy proposed would see existing municipal transit budgets uploaded to the new Transit Commission in a single year (2023), following which the Regional Council approved budget of the commission will be apportioned to each of the LAMs using twelve Special Levies, one for each municipality.

All uploaded local transit service costs and future incremental costs will be allocated to the Special Levy based on service hours. Existing Niagara Region Transit (NRT) service costs continue to be allocated to the Special Levy based on municipal share of Regional assessment, as they are already today.

In other words, there will no longer be any costs associated with operating municipal transit in the City's annual budget and the cost of operating the Regional Transit system

will appear on residents' tax bills as a special levy in the same way that Waste Management charges appear currently.

Public Engagement:

Significant consultation was undertaken during the development of the transit governance proposal. In September 2021, a website was launched (movingtransitforward.ca) that included a survey asking the public for feedback on the proposed governance, service plan, and financial models. A total of 2,251 individuals completed the survey, with 79% in favour of the financial strategy, 82% in favour of the Board composition structure, and 85% in favour of the service standards strategy.

Two rounds of consultation were undertaken with each municipality in Niagara, first on the result of the original Niagara Transit Governance Study (NTGS) and then on the revised strategies developed by the Governance Steering Committee (GSC). Significant change occurred from the initial proposal to the subsequent revised strategies reflecting the feedback received by municipalities.

Lastly a series of workshops were conducted with interested parties from across Niagara, representing organizations or demographics who either rely on transit or with a mandate that is closely related to transit. Example attendees included members of environmental and accessibility advisory committees, local business leaders and Chambers of Commerce, institutional administrators, and other advocates.

Strategic Plan Alignment:

The initiative contained within this report supports the following pillar(s) of the strategic plan:

- Service and Simplicity - Quality and Innovative Delivery of Customer Services
 - Attracting Business Investment and Tourists to Port Colborne
 - Value: Financial Management to Achieve Financial Sustainability
 - Governance: Communications, Engagement, and Decision-Making
-

Conclusion:

A consolidated transit system is anticipated to bring significant mobility, economic, and equity benefits to the residents of Port Colborne.

Adoption of the recommendations of this report will represent the City of Port Colborne's triple-majority vote in favour of creating this new transit system.

Appendices:

- a. Regional Report PW55-2021 – Moving Transit Forward in Niagara: Creation of a Consolidated Transit Commission

Respectfully submitted,

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Report Approval:

All reports reviewed and approved by the Department Director and also the City Treasurer when relevant. Final review and approval by the Chief Administrative Officer.

Subject: Moving Transit Forward in Niagara: Creation of a Consolidated Transit Commission

Report to: Regional Council

Report date: Thursday, November 25, 2021

Recommendations

1. That Regional Council **ENACT** a By-law pursuant to section 189 of the *Municipal Act, 2001*, and substantially in the form attached as Appendix 1 of Report PW 55-2021, to provide The Regional Municipality of Niagara with the exclusive authority to establish, operate and maintain an intra-municipal passenger transportation system for the Region (having previously received inter-municipal authority), and such By-law, if adopted, to come into force and effect on January 1, 2023, provided that:
 - 1.1. a majority of the councils of the local area municipalities pass resolutions consenting to the By-law; and,
 - 1.2. the total number of electors in the local municipalities that have passed resolutions in support of the By-law form a majority of all electors in the Region of Niagara as established in the revised list of electors for the municipal election held in the year 2018.
2. That, subject to the adoption of the aforementioned By-law, a copy of the By-law and Report PW 55-2021 **BE FORWARDED** to the clerks of the 12 local area municipalities with a request that their councils consider adopting the following resolution and advise the Regional Clerk of the results of that consideration, no later than January 31, 2022:

“That the Council of (name of municipality) consents to the passage of By-law No. 96-2021 of The Regional Municipality of Niagara, being a by-law to provide Niagara Region with the exclusive authority to establish, operate and maintain a consolidated passenger transportation system for the Niagara Region ”
3. That subject to the adoption of the aforementioned By-law, the Chief Administrative Officer and General Manager of the future Transit Commission **BE AUTHORIZED** to negotiate municipal asset transfer agreements with the City of Niagara Falls, City of

St. Catharines, and City of Welland, on the basis of the principles in Appendix 3 and in a form satisfactory to the Director, Legal and Court Services.

4. That subject to the adoption of the aforementioned By-law, the Chief Administrative Officer **BE DIRECTED** to report back to Regional Council early in 2022 on the creation of a Regional Transit Commission, as described in this report and the attached appendices, and recommending the roles and responsibilities of the Commission.

Key Facts

- The purpose of this report is to seek Regional Council authority to create a single, consolidated transit system, that would formally integrate all existing Regional and local transit systems, and that will bring dramatic benefits to the residents of Niagara:
 - Creating a single branded system that can take riders anywhere in the Region, for a single fare, that will break down jurisdictional barriers and connect communities;
 - Leveraging and supporting GO rail and bus expansion;
 - Developing and supporting the economy, job retention, and creating and driving tourism;
 - Being environmentally sustainable and reducing traffic congestion;
 - Supporting accessibility; and
 - Providing better value and service to the taxpayers of Niagara.
- Regional Council approval to move forward with consolidation represents the first step in a required triple-majority process that will be followed by seeking similar authorization from each of Niagara's twelve municipalities, as set out in section 189 of the Municipal Act, 2001.
- Should triple-majority be achieved, the new Transit Commission will be created and would begin operation on January 1, 2023.
- The Linking Niagara Transit Committee (LNTC) has endorsed the proposed governance model for the consolidation of transit (September 29, 2021),

comprised of a comprehensive financial, Board composition, and service strategies.

- These combined strategies for the new Transit Commission reflect extensive consultation, including: two rounds of consultation with local municipalities, as well as engagement with interested parties from across Niagara and the public.
 - The recommended strategies reflect the consensus recommendation of the Governance Steering Committee (GSC), balancing the input and feedback received from all parties. The City of Welland has identified ongoing concerns, which are discussed in the companion memorandum to this report.
- Now is the opportunity to take the final step towards the establishment of a consolidated system. Only through a single Commission model – a single decision making authority for transit – can the benefits of these next steps be realized.

Financial Considerations

Should triple-majority approval be achieved, the financial strategy outlined in this report and in further detail in [LNTC-C 3-2021](#) proposes the Region upload the Municipal levy funding of the baseline local transit service net expenditure to the Regional levy, using the combined 2020 transit budgets at \$27.8M and estimated to be \$29.4M in 2023.

The upload to the new Transit Commission will occur in a single year 2023, following which the Regional Council approved budget of the Commission will be apportioned to each of the LAMs using twelve Special Levies, one for each municipality. All existing Niagara Region Transit (NRT) service costs transferred to the Commission will continue to be allocated to the Special Levy based on municipal share of Regional assessment and the local transit service costs will be allocated to the Special Levy based on service hours. Tax bills will show a separate LAM regional transit levy so this is clear for all property owners. An insert in the tax bill will explain to property owners that the Special Levy is not an additional charge, but instead reflects the upload of responsibility for transit, and the tax space associated with the cost of transit also moves to the Region.

The 2023 estimated baseline operating budget of the new Transit Commission will represent a 7.3% increase to the Regional budget resulting from the local transit service costs being shifted from LAMs to the Commission budget; to be levied by the Region. This increase is expected to be offset by equal and concurrent reductions to municipal

budgets to minimize the property taxpayer impact from transit consolidation. In addition, the establishment of a new transit capital reserve, requires an additional 0.5% (\$2.2M) increase to the 2023 Regional budget.

Note that all financial modeling is estimated based on 2020 budgets and would be adjusted prior to 2023 to reflect most recent financials, including final asset inventories and debt to be assumed by the Commission. Future growth and service strategies are subject to future budget approvals and will directly impact the proportion of costs a municipality is apportioned.

Analysis

Moving Transit Forward

The vision for a single regional transit agency for Niagara is a long-standing one, with a significant series of previous milestones having been achieved dating back well more than a decade.

Recent milestones include the formation of the inter-municipal transit working group (IMTWG) in 2015, the Niagara Transit Service Delivery and Governance Strategy Report (*Dillon Report*, 2017), unanimous triple majority approval in 2017 granting the Region legal jurisdiction to move NRT from a pilot to permanent operation – along with unanimous municipal approval to proceed to develop a new governance system for a consolidated transit system for all of Niagara, the establishment of LNTC, the 2017 MOU between Niagara's four major transit properties that endorsed a consolidated transit system in principle, and the completion of the Niagara Transit Governance Study (NTGS) in 2020.

LNTC has now developed and endorsed the final recommended governance proposal, comprised of the financial, Board composition, and service strategies as outlined in this report, and supported the initiation of the required triple-majority approval process.

Now is the opportunity to take that final step towards the establishment of that consolidated system, one that is anticipated to bring dramatic benefits to the residents of Niagara by:

- ✓ Creating **one unified transit system** for Niagara.
- ✓ Breaking down barriers and **connecting communities**, ensuring all residents in Niagara have access to transit.
- ✓ **Expanding and enhancing service** – with new, longer, and consistent operating hours.
- ✓ **Connecting to GO Transit** as service is expanded and enhanced in the near future.
- ✓ **Supporting business and economic development** by connecting employers with new customers and employees with new opportunities.
- ✓ **Driving Tourism** by connecting people to all the destinations and activities that Niagara has to offer.
- ✓ Connecting **Seniors** to their community – to access services, see family and friends, and maintain independence.
- ✓ Establishing **one single fare** that takes you anywhere in the Region, with a new payment system.
- ✓ Being **innovative**, using new methods to serve communities like on-demand transit.
- ✓ Having **one schedule**, with one website and one app to help you plan your trip.
- ✓ Creating a more **accessible** and **equitable** system by ensuring all residents have similar access to service.
- ✓ Supporting the **environment** by reducing greenhouse gas emissions and support future moves to a zero-emission fleet.
- ✓ Ensuring that **Students** and **Youth** can get to school, participate in extra-curricular activities, or access a job.
- ✓ Ensuring it is **funded fairly**, with residents only paying for the service they receive directly.
- ✓ Delivering **better value for the taxpayer** through the more efficient delivery of service and eliminating duplication.
- ✓ Providing access to **Health Care**, and improving social determinants of health.
- ✓ Ensuring **maximization of capital** resources.
- ✓ Ensuring consistent, reliable and **accessible infrastructure** which enables all riders to equitably access transit.

It is only through the move to one consolidated agency these outcomes can be achieved.

Significant work has been done to improve, integrate, and coordinate the existing systems in Niagara, and consolidation will mean a larger and combined resource pool, which will support efficiencies that cannot be otherwise achieved as separate entities duplicating efforts, and which will then be reinvested into the network to enhance service.

Operational integration under the current status quo can only go so far before decisions require political authority to make meaningful change – which creates inconsistencies, inequity, and disconnected operations. Only through a single Commission model – a single decision making authority for transit – can the benefits of these next steps be realized. Whether aligned fare policies (i.e. single fare), fare exemptions (i.e. Niagara-wide low income pass), single unified system branding on fare technology or fleet, addressing inconsistent service hours, or an ongoing lack of consistency in capital improvements – these benefits can only be achieved with a single governance model to ensure the consistency, reliability and frequency transit riders expect can be realized.

Under the status quo, if one Council is not aligned for investments, the system is out of sync. This is what has led to the inconsistencies that plague today's system. The IMTWG has made incredible strides to harmonize as much as possible, but obvious gaps and confusion to those using the system prevail.

Building Niagara

A move to a consolidated Region-wide transit agency is critical for ensuring that Niagara remains a competitive destination for people and businesses, and is able to retain those already here.

Regional transit systems have been established in a number of peer jurisdictions previously: Waterloo, Durham and York Regions in terms of bringing together local transit systems to a combined Region wide system for example, as well as those de-facto Region-wide systems established through municipal amalgamations such as in Hamilton.

These jurisdictions have all seen significant growth not only in transit ridership, driven by both the consolidation and expanded investment into the transit network, but also in terms of the associated benefits from transit such as business development and the expansion of their post-secondary institutions.

Niagara Region is experiencing significant and rapid growth. People and businesses coming to Niagara are often relocating from areas such as the GTA with existing transit systems, and accordingly are bringing with them the expectation that a robust transit system will be in place in their new home.

The move to a consolidated transit system will address this expectation - ensuring that Niagara is able to not only meet and support the growth that is already in place but to continue to meet it in the future, including an projected 19% increase in population and 16% growth in employment by 2031 (2019 Municipal Growth Plan). This growth will come from many areas, including: recent trends of relocation from the GTA, newcomers to Canada, the expansion of GO transit to Niagara, as well as the growth of institutions such as Brock University, Niagara College, and new facilities such as the Niagara South Hospital.

Establishing a consolidated transit system is critical to meeting the evolving needs of existing residents, as well as ensuring that Niagara remains an attractive and competitive place to attract new growth.

Creating a Consolidated Transit System - Triple Majority Approval

Creating authority for one consolidated transit system in Niagara will require triple-majority approval of a by-law to transfer to the Region the legislative authority to operate intra-municipal transit service in Niagara (the Region having received inter-municipal authority previously in 2017).

Triple majority support consists of:

- A majority of all votes on upper-tier council [Regional Council];
- A majority of all the lower-tier [LAM] councils passing resolutions consenting to the by-law; and
- The total number of electors in the lower-tier [LAM] municipalities that have passed resolutions consenting to the by-law form a majority of the electors in the upper-tier municipality.

This report is the first step in this process and the represents the Regional approval to move forward into a consolidated system. Should the recommendations of this report be adopted, each of Niagara's LAMs will then be asked to subsequently consider the by-law through the remainder of 2021.

Should triple-majority be achieved, an approximate one-year period would be required to establish the new Transit Commission and to prepare for the assumption of day-to-day operations on January 1, 2023. In the interim, the existing transit systems would continue to operate and deliver service while the Region will take steps to ensure a smooth transition. As outlined in the Municipal Transfer Agreement term sheet (Appendix 3), no additional changes in operation or new assets would be on-boarded after June 30, 2022 in order to provide a 'steady-state' for the final period prior to operations turnover. Changes made between 2021 and June 30, 2022 will alter the previously estimated special levies for each municipality.

The [Transition Plan of the NTGS](#) outlines the major milestones required to establish the Commission during this one-year period, with further discussion later in this report regarding some of the immediate next steps should triple-majority be achieved.

Final Governance, Service Standards, and Financial Strategies

The creation of a regional transit municipal service board to serve as the new Transit Commission, Board composition for the Commission, service standards, and financial strategies comprise the governance proposal for the new Transit Commission, outlining how the new agency would be established and the terms and conditions in which it will ultimately function.

These strategies have been summarized in the sections below, with reference provided to previous reports that provide additional detail where applicable.

Extensive Consultation

The aforementioned strategies were developed and articulated originally as part of the NTGS consultants study, as well as through the work of both local and Regional staff such as the Area CAOs and Treasurers. Since that time, they have been refined through significant engagement and consultation, including:

- **Two Rounds of Municipal Consultation** – Local municipal Councils reviewed the initial proposed strategy and provided feedback on both the original NTGS recommendations and associated financial model; followed by a second opportunity for further feedback based on the revised strategies developed by the GSC in response to the first round of engagement. The proposal was presented to Council of all local municipalities in public session providing an opportunity for members of council and the public to provide input. Significant change occurred

from the initial proposal to the subsequent revised strategies. This was a direct result of the municipal feedback.

A companion memorandum (CL-C 86-2021) has been prepared that outlines the outstanding discussion points raised by the City of Welland and how these items were acknowledged, weighed, considered and responded to throughout the current process.

- **Interested Party Consultation** - Following the LAM discussions, a series of workshops were conducted with interested parties from across Niagara, representing organizations or demographics who either rely on transit or with a mandate that is closely related to transit. Example attendees included members of environmental and accessibility advisory committees, local business leaders and Chambers of Commerce, institutional administrators, and other advocates.

The purpose of these sessions was to ensure that these groups had the latest information regarding the consideration of a consolidated transit system, and had an opportunity to provide feedback prior to the finalization of the proposal.

These sessions were organized thematically, covering a wide variety of topics such as the environment, seniors, youth, business and tourism, post-secondary institutions, diversity and inclusiveness, libraries, health services, and accessibility.

- **Public Consultation** – in September 2021, a website was launched (movingtransitforward.ca) that provided an overview of the proposal for a consolidated transit system, as well as details on the core strategies of the governance model. A survey asked for feedback from the public on the proposed models:

A total of 2,251 individuals took the survey. Respondents included representation from all Niagara municipalities, representing a mix of both transit and non-transit users (38% monthly or more frequent, 44 % non-transit users). Consistent support was expressed for all three of the governance strategies, with 'support' or 'strong support' being indicated by:

- 79% of respondents for the financial strategy;
- 82% of respondents for the Board composition structure; and

- 85% of respondents for the services standards strategy.

The details results of the public consultation survey are including in Appendix 2.

Board Composition Strategy

The LNTC has endorsed and recommends the creation of a 15-member elected Transitional Commission Board, to be comprised of either Regional or local councillors, supported by a 20-member Public Advisory Committee as shown in Figure 1 below.

The Region would be represented by the Regional Chair or the CAO (or their delegate) as ex-officio attendees to ensure that answers to questions concerning Regional operations and matters that impact the Region related to the Commission can be responded to for the Board in a timely way.

Figure 1 - GSC Recommended Board Structure

Transitional Transit Commission Board	Public Advisory Committee
<p>(15) Total Elected Official Representatives</p> <ul style="list-style-type: none"> • (3) St. Catharines • (2) Niagara Falls • (1) Welland • (1) Fort Erie • (1) Grimsby • (1) Lincoln • (1) Niagara-on-the-Lake • (1) Pelham • (1) Port Colborne • (1) Thorold • (1) Wainfleet • (1) West Lincoln 	<p>(20) Total Public Interested Party Representatives</p> <ul style="list-style-type: none"> • (12) Niagara Residents (one per Municipality) • (2) Members representing Accessibility Advisory Committees or other Accessibility Stakeholders • (2) Post-Secondary Representatives (1 student union representative from Brock University and 1 from Niagara College) • (1) Member representing Niagara's Chambers of Commerce • (1) Senior Issues Stakeholder • (1) Youth Issues Stakeholder • (1) Transit Commission General Manager (ex-Officio)
<p><i>Members recommended by local Councils; appointed by Regional Council.</i></p>	<p><i>Resident members recommended by local Councils; all members appointed by the Transit Commission Board.</i></p>

In the development of this recommendation, the GSC considered feedback from all 12 municipalities regarding the overall size, elected composition, and share of representation of the Transitional 15-member Commission Board.

This recommendation balances that input: ensuring that all local municipalities have direct representation during the transition period, providing additional representation to municipalities on the basis of ridership, while respecting the total size of the Board.

The mandate of the Transitional Board will end with the establishment of a future permanent Board structure that will coincide with next municipal election cycle (2026) after the creation of the Commission.

This will be preceded by an external third party review of the Transitional Board structure and governance that will revisit and make recommendations regarding the total Board size, and representation. The Municipal Transfer Agreements discussed later in this report include a specific requirement that this external review, examining alternative Board structures, takes place.

The GSC has maintained the position that the establishment of a hybrid governing model (councillors and independent experts) remains a preferred outcome for the future permanent Board structure and should be strongly considered during this review. Recent recommendations made as part of the Collingwood Judicial Inquiry suggest that the boards of municipally owned corporations should be composed of directors with a variety of experiences and backgrounds, skills and qualifications. These recommendations apply equally to municipal service boards.

Service Standards Strategy

Developed by the transit leaders in Niagara, the Service Standards Strategy, provided as [Appendix 5](#) to *LNTC-C 3-2021*, outlines a three-phased approach to the standardization and enhancement of transit service across Niagara to achieve consistent, equitable access to transit for all Niagara residents and communities:

Figure 2 - Niagara Service Standards Strategy Overview



- **Phase 1 – Standardized Operating Hours Across Niagara** – a move to one set of consistent operating hours to ensure all residents in Niagara have the same level of availability of transit in their community and the ability to make consistent connections across Niagara. Proposed hours are 6 a.m. to midnight (Monday to Saturday), and 7 a.m. to 9 p.m. (Sundays and Holidays). This would represent over 45,000 new annual service hours across Niagara to create this equity and availability in each municipality.
- **Phase 2 – Combine Specialized and Demand-Responsive Services** - combining specialized transit (accessible or Para-transit) with other existing demand-responsive (on-demand) services. The combination of specialized and demand-responsive transit into one combined service delivery model offers an opportunity to both improve the service residents receive, while more efficiently deploying the resources available to the Commission.
- **Phase 3 – Network Review and Growth** - undertaking a detailed network review study that would look for future opportunities to expand and enhance Niagara's transit footprint and significantly grow ridership in the long-term.

The new Transit Commission will also evaluate the performance of its services on a continual basis – starting right from its creation and in parallel with this strategy. At a minimum, there will be an annual performance review of required changes and service

enhancements, which may include evaluation of route performance, ridership, new housing/commercial development, customer feedback, and opportunities to implement existing expansion priorities such as those identified in municipal transit and transportation master plans, in keeping with industry best practices.

Financial Strategy

The recommended financial strategy proposes that all LAM transit service budgets be uploaded to the Commission in the 2023 budget year, as well as the Region's existing transit budget to be consolidated by the Commission and to be assessed to the LAMs by way of special levies to be approved annually by the Region as part of the budget process:

- The 2023 estimated Commission baseline service budget will require a 7.3% increase due to the transfer of local transit costs to the Regional budget with expected equal and concurrent reductions to municipal budgets therefore minimizing the net residential impact.
- Service levels are different in each municipality; therefore, the Region proposes that twelve Special Levies be adopted in 2023. Each Special Levy will allocate 65% of 2023 net transit costs based on service hours, with all current existing NRT services continuing to be allocated to the Special Levy based on local share of Region-wide assessment.

The full Financial Strategy is described in the Financial Considerations section of [LNTC-C 3-2021](#) and associated Appendices [1](#), [2](#), [3](#) and [4](#).

Over the course of 2022 it will also be necessary for all municipalities to review and make any necessary adjustments to Fees and Charges by-laws, Development Charges By-laws and other related administrative by-laws to ensure a smooth transition effective on January 1, 2023. A further report will be required to address these matters. Also, matters related to insurance coverage will need to be addressed.

Creating the Commission – Next Steps

Should triple-majority be achieved, an approximate one year transition period would commence during which the Commission would be established in advance of the assumption of day-to-day operations on January 1, 2023. The [NTGS](#) identified a total of five phases of transition (Approval, Commission Establishment, Commission Setup,

Service Launch, Enhancement), with *Phase 2 – Commission Establishment* and *Phase 3 – Commission Setup* intended to be achieved during this one year period before the assumption of operations.

Significant work and resources will be required to achieve the transition of operational responsibility on January 1, 2023. This will including the establishment of the Commission as a Municipal Services Board, appointment of the Commission Board, the completion of the Municipal Transfer Agreements, and the transfer of staff and assets. Each of these tasks will require significant coordination between Regional staff, municipal staff, and Commission staff when in place, with additional resources and support to be sought through external consulting assignments to be funded as part of the previously identified transition costs.

The purpose of this section is to provide an overview of some of the major activities of this transition period, including where future decisions of Regional Council will be sought.

Legal Establishment of the Commission as a Municipal Services Board

Following triple-majority, work will be required to formally establish the Transit Commission as a Municipal Services Board of the Region, through section 196 to 198 of the *Municipal Act*, 2001 (the “Act”).

A transit commission established under the *Act* is subordinate to Regional Council, unlike an independent board, like the Police Services Board or Board of Health, which are created under different legislation. At the same time, it is a body corporate, and so is independent from the Region in its day-to-day operations.

Regional Council will determine the roles and responsibilities of the Commission, governance structure including the board structure and membership as well as determine if committees are needed. Regional Council will also determine the budgetary process, financial management, transfer of assets and reporting structure of the transit commission. Policies respecting the sale or disposition of land, hiring of employees and procurement of goods and services are mandatory under s. 270(2) of the Act. The Commission would normally establish its own procedure by-law, policies respecting employees, procurement, asset management and board compensation however for efficiency could consider leveraging Regional services and policies. It would also appoint its own Auditor. The role of the Region’s auditor in providing oversight will need to be determined as well. To note, the entities consolidated

financially with the Niagara Region being Court Services, Niagara Regional Housing and Niagara Regional Police all leverage the Region's auditors which creates significant efficiency and cost savings.

As a "local board" the *Municipal Freedom of Information and Protection of Privacy Act* will apply to the transit commission and it will require a Code of Conduct. Its budget will be approved by Regional Council as part of the annual budget approval process. What if any corporate support services will be provided by the Region also needs to be considered (and may the subject of a future agreement between the Region and the Commission, similar to the "shared services" agreement in place between the Region and NRH for example).

The proposed organization of the new Transit Commission will be accomplished through the passage of a by-law by Regional Council at a future date that will create the Board and formalize aspects of the Board composition strategy such as the number of Commission Board representatives and eligibility of persons to hold office as Board members.

That by-law will further establish the relationship between the Commission and the Region, including their financial and reporting relationship. Transitional reports to implement these operational or structural components of the new Commission would be brought to Regional Council as needed during the transition period (2022). Terms of Reference for both the Commission Board and Public Advisory Committee will also be developed and brought forward for Council approval.

Municipal Transfer Agreements

A series of agreements will be required with each of Niagara Falls, St. Catharines, and Welland regarding the manner in which the existing assets used to deliver transit in Niagara would transfer to the new Transit Commission. These Municipal Transfer Agreements (MTAs) will also include principles for the transfer of personnel, guarantees regarding the minimum levels of service to be provided in municipalities in the future, and formalize the requirement that the governance review takes place.

A recommendation of this report is that the CAO, and the General Manager of the new Transit Commission once appointed, be authorized to negotiate these agreements, on the basis of the terms that are outlined in Appendix 3.

The principles outlined in this term sheet represent the consensus recommendations of the CAO GSC reflecting discussion, comments, and input received throughout the multi-year initiative to consolidate transit. The term sheets further include schedules that identify the assets that are to be transferred, as well as the current debt financing to be assumed by the Region as part of the financial strategy.

WEGO

Contained within the MTAs are principles related to the exclusion of WEGO from the initial consolidation of transit in Niagara. This approach has been taken as WEGO is delivered by the Niagara Parks Commission, a Provincial Crown agency, in partnership with the City of Niagara Falls. As such there are a series of pre-existing agreements regarding the operation of the system and the maintenance facility (paid for in part through Provincial funding) that would make consolidation of WEGO with the wider system challenging as part of the initial triple-majority exercise. WEGO also provides a specific a tourism-focused service that is unique from the other public transit systems in Niagara.

It is therefore anticipated that in the early days of the Commission that WEGO service will continue to be delivered as a partnership between the City of Niagara Falls and the Niagara Parks Commission. Accordingly, the WEGO fleet and the WEGO transit facility will remain with the City of Niagara Falls and not be transferred to the Commission.

Transit operators currently employed by the City of Niagara Falls in the joint delivery of Niagara Falls Transit and contracted WEGO routes will transfer to the Commission, with the Commission and the City of Niagara Falls entering into a service agreement, on the basis of an hourly fee, for the provision of operators to deliver the continued contracted City of Niagara Falls WEGO routes.

The initial exclusion of WEGO from consolidation does not preclude its future integration once the Commission has been fully established and/or as existing agreements between the Niagara Parks Commission and the City of Niagara Falls come to term. It also does not preclude agreements being entered into related to WEGO concerning operations in Niagara Falls, at any time.

Appointment of the Commission Board and Public Advisory Committee

Following the legal establishment of the Commission as a Municipal Services Board, the process to appoint members to the Transitional Commission Board and Public Advisory

Committee will commence. As outlined within the Board composition strategy, each municipality will be asked to forward to Regional Council a recommendation for both an elected representative on the Commission Board and a public or citizen representative for the Advisory Committee. Skills matrices and evaluation criteria will be developed for the other public members of the Advisory Committee, with an application process following the existing Regional process for appointment to advisory boards and committees.

The final approval for appointing members to both the Commission Board and the Public Advisory Committee will rest with Regional Council, reflecting the role of the Commission as an agency of the Region.

Recruitment of General Manager and Transition of Staff

An open competition will be held for the position of General Manager of the new Commission, anticipated to be supported through the use of an executive search consultant. The appointment of a General Manager would subsequently be ratified by the Commission Board once established.

The General Manager, along with a working group led by the Regional Treasurer/Commissioner Corporate Services, will finalize the organizational structure and complement of the new Commission for Regional Council approval. The preliminary organizational structure included in the NTGS will serve as the starting point for this discussion.

An external HR consultant vendor will be sought to support the transition of existing employees to the new Commission, and provide additional capacity to Regional staff to facilitate tasks such as the finalization of the organizational structure, development of job descriptions, and other human resources and labour relations components.

Appendix 4 outlines a high level overview of a series of Human Resources and Labour Relations considerations that are applicable to the transfer of staff to the new organization.

Consistent with these requirements and as outlined within the MTA Term Sheet, all full-time and part-time unionized employees employed by the existing transit entities as of June 30, 2022 will automatically transfer to the Commission.

Non-unionized employees will either be directly offered a position with the new Commission where there is anticipated to be a substantially similar role established, or have the opportunity to apply for new roles within the Commission. Any municipal corporate support personnel (i.e. those whose full time role with a municipality includes transit work as a portion of their duties) will remain with the municipality. Any municipal non-union staff who are not offered a position with the new Commission will remain the responsibility of the municipality.

The integration of the three existing Amalgamated Transit Union (ATUs) Locals will take place in through negotiation and in accordance with the defined provincial process as outlined under the *Public Sector Labour Relations Transition Act, 1997* and by the Ontario Labour Relations Board.

Alternatives Reviewed

The NTGS considered a series of alternative governance models for the consolidated transit system, including that of a partial Commission or Regional Division. The Full Commission was recommended on the basis of the level of independence and anticipated benefits arising from a defined budget envelope being set by Regional Council. Additional detail regarding the evaluation of the alternative governance models is contained within the final NTGS report, which was presented as [Appendix 2](#) to *LNTC-C 4-2020*.

Numerous alternative financial models, Board compositions, and service enhancement timelines have been considered throughout the process: both originally within the NTGS and as input and feedback has been received by municipalities. These considerations have included:

- 11 different alternative Special Levy financial models, including ones that considered divisions between conventional and on-demand systems, in addition to the single General Levy originally proposed;
- Alternative Commission Board structures including those that maintained a smaller total Board size; that included public members to retain a hybrid model; that grouped smaller LAMs into rotating seats; and
- Both shorter and longer timelines for the implementation of service enhancements and the external network review.

The original guiding principles of 'Customer Driven', 'Unconventional Solutions', 'Integrated', 'Economically Responsible', and 'Fair' were used throughout to evaluate alternatives. The final strategies and governance model represent the consensus recommendation of the GSC.

Relationship to Council Strategic Priorities

The proposed consolidation of transit services across Niagara into a consolidated transit entity directly aligns with the Council Strategic Priority: Responsible Growth and Infrastructure Planning (Objective 3.1) through advancing regional transit and facilitating the movement of people and goods.

Other Pertinent Reports

LNTC-C 5-2021	Niagara Transit Governance – Phase 2 Consultation Results and Triple-Majority Initiation
LNTC-C 3-2021	Niagara Transit Governance - Revised Strategies Reflecting Phase 1 Municipal Consultation
LNTC-C 2-2021	Niagara Transit Governance – Governance Steering Committee Update
LNTC-C 1-2021	Niagara Transit Governance – Detailed Phase 1 Consultation Summary
PW-9 2021	Niagara Transit Governance Study – Niagara Region Considerations
LNTC-C 6-2020	Councillor Information Request – Niagara Transit Governance – Local Area Municipality Engagement
LNTC-C 4-2020	Niagara Region Transit Governance Study
CAO 8-2017	Niagara Region's Transit Service Delivery and Governance Strategy
LNTC-C 21-2018	Inter-Municipal Transit (IMT) Service Implementation Strategy

Prepared by:

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Recommended by:

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Commissioner of Public Works (Interim)
Public Works Department

Submitted by:

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Chief Administrative Officer

This report was prepared in significant consultation with Scott Fraser, Transportation Lead GO Implementation, Heather Talbot, Financial & Special Projects Consultant – Financial Management and Planning; the Governance Steering Committee comprised of the CAOs from all thirteen (13) municipalities across Niagara; and reviewed by; Matt Robinson, Director, GO Implementation Office; Helen Chamberlain, Director, Financial Management & Planning/Deputy Treasurer; Todd Harrison, Commissioner of Corporate Services/Treasurer.

Appendices

Appendix 1	Draft By-law No. 96-2021 of the Regional Municipality of Niagara
Appendix 2	Online Resident Survey Results – Moving Transit Forward
Appendix 3	Municipal Transfer Agreements – Summary Term Sheet
Appendix 4	External Legal Overview: Regional Transit Integration: Labour Relations and Employment Processes and Implications

Bill No.

Authorization Reference:
Minute Item 5.1

THE REGIONAL MUNICIPALITY OF NIAGARA

BY-LAW NO. <>

A BY-LAW TO ESTABLISH, OPERATE AND MAINTAIN A
CONSOLIDATED PASSENGER TRANSPORTATION SYSTEM FOR THE
REGIONAL MUNICIPALITY OF NIAGARA

WHEREAS Niagara Region Council deems it expedient and beneficial to address transit issues in Niagara Region;

WHEREAS the Linking Niagara Transit Committee was established to lead the development of a consolidated governance model, as well as the harmonization and integration of operational and policy regimes of the existing transit properties;

WHEREAS the Inter-municipal Transit Working Group was established to gather information and provide guidance on operational matters related to the transition to a consolidated transit system;

WHEREAS Niagara's four (4) major transit operators entered into a Memorandum of Understanding in 2017 that, in principle, endorsed the creation of a consolidated transit system;

WHEREAS all local area municipalities have been consulted on and provided input regarding the results of the Niagara Transit Governance Study, associated financial strategy, and the subsequently revised models reflecting initial feedback;

WHEREAS the Linking Niagara Transit Committee has endorsed the Commission governance model, Niagara Service Standards Strategy and associated twelve (12) special levy financial strategy as the models under which consolidation should take place as identified in Regional Reports LNTC-C 5-2021 and PW 55-2021;

WHEREAS Niagara Region obtained triple-majority authority in 2017 to establish, operate and maintain an inter-municipal passenger transportation system in Niagara Region and enacted By-law No. 2017-21 on March 23, 2017, which came into effect on June 1, 2017, in this regard;

WHEREAS under this new consolidated system, Niagara Region would plan and operate both intra-municipal and inter-municipal transit routes, including specialized and demand-responsive transit services, throughout Niagara Region creating one unified transit system;

WHEREAS existing transit assets would transfer to the Commission on the basis of Municipal Transfer Agreements, to be negotiated and entered into with the major transit operators substantially on the basis of the terms outlined in Appendix 3 to PW 55-2021;

WHEREAS Section 11 of the Municipal Act, 2001, Ch. 25, as amended, grants exclusive jurisdiction over the operation of transit services to lower-tier municipalities in Niagara Region; and

WHEREAS Section 189 of the Municipal Act, 2001, Ch. 25, as amended, provides an upper-tier municipality with the ability to pass a by-law for the transfer of all or part of a lower-tier power to the upper-tier municipality, subject to certain rules regarding consideration and approval by the lower-tier municipalities.

NOW THEREFORE the Council of The Regional Municipality of Niagara enacts as follows:

1. That the authority to establish, operate and maintain a consolidated passenger transportation system for Niagara Region be transferred to The Regional Municipality of Niagara;
2. That steps to transfer jurisdiction and related assets essential to operating a consolidated passenger transportation system to The Regional Municipality of Niagara begin immediately after the following requirements have been met:
 - a. A majority of the councils of the lower-tier municipalities forming part of Niagara Region have passed resolutions consenting to the by-law;
 - b. The total number of electors in the lower-tier municipalities that have passed resolutions consenting to the by-law form a majority of all electors in the Region of Niagara as established in the revised list of electors for the municipal election held in the year 2018.
3. That in this by-law, the term “consolidated passenger transportation system” shall mean a single, unified public transportation services system operating within or between any two or more of the twelve (12) lower-tier municipalities which comprise the Region of Niagara;
4. That The Regional Municipality of Niagara does hereby assume from all lower-tier municipalities comprising the Region of Niagara, those parts of the lower-tier power and related assets essential to provide public transportation systems, other than highways, necessary to own and operate a consolidated passenger transportation system as contemplated by this by-law;

5. That Sections 1 and 2 of the by-law shall come into force and effect on the day the requirements of Section 189 of the Municipal Act 2001, Ch. 25, as amended, are met;
6. That Section 4 of this by-law respecting the transfer of assets and operations to the new transit commission does not come into effect until January 1, 2023. For clarity, the lower-tier municipalities that operate public transportation systems will continue to do so until these operations transition to The Regional Municipality of Niagara on January 1, 2023.

THE REGIONAL MUNICIPALITY OF NIAGARA

James Bradley, Regional Chair

Ann-Marie Norio, Regional Clerk

Passed: <date>

Appendix 2

Online Resident Survey Results – Moving Transit Forward

Introduction

In order to gauge wider community feedback on the proposed model for consolidation, a brief online survey was created and administered as part of the overall communications strategy.

The Moving Transit Forward survey was hosted online through a dedicated project website, available at www.MovingTransitForward.ca, as well as through municipal public engagement platforms such as BangTheTable. The survey was live from Sept. 21 – Oct. 1, 2021, and was open to all Niagara residents.

Brief Analysis

The survey gathered feedback from over 2,000 individuals from across Niagara. Approximately 56 per cent of respondents identified as regular transit users, which aligns with a general understanding of the ridership base in Niagara.

Geographically, the makeup of respondents by municipality proportionally reflects the population breakdown in Niagara, with more respondents from larger municipalities, and fewer from smaller municipalities.

Overall the survey results show strong approval among Niagara residents for each of the three main components of the proposed transit model, with the Governance Structure, Service Level Standards, and Financial Model all receiving approval levels of 79 per cent or higher.

Through the open-ended comment box, residents shared further feedback regarding the model and transit in general. Common themes included a need to move forward with the proposal as quickly as possible, and concerns that consolidation may negatively impact transit services or taxes in the respondent's own local municipality.

Methodology

Being an online, voluntary and self-identifying survey, the results present an anecdotal picture of residents' views on the proposed model for consolidated transit. This was not a scientific survey, and results should not be viewed as statistically valid. However, previous research conducted by the Region has shown our online survey results tend to be consistent with residents views.

Respondents were asked to identify where they lived, how often they used transit, and if they approved of or opposed the proposed Governance Structure, Financial Model and Service Standards Strategy. Residents were educated on the basics of the proposal through information and videos on the website, as well as a brief explanation within the survey itself.

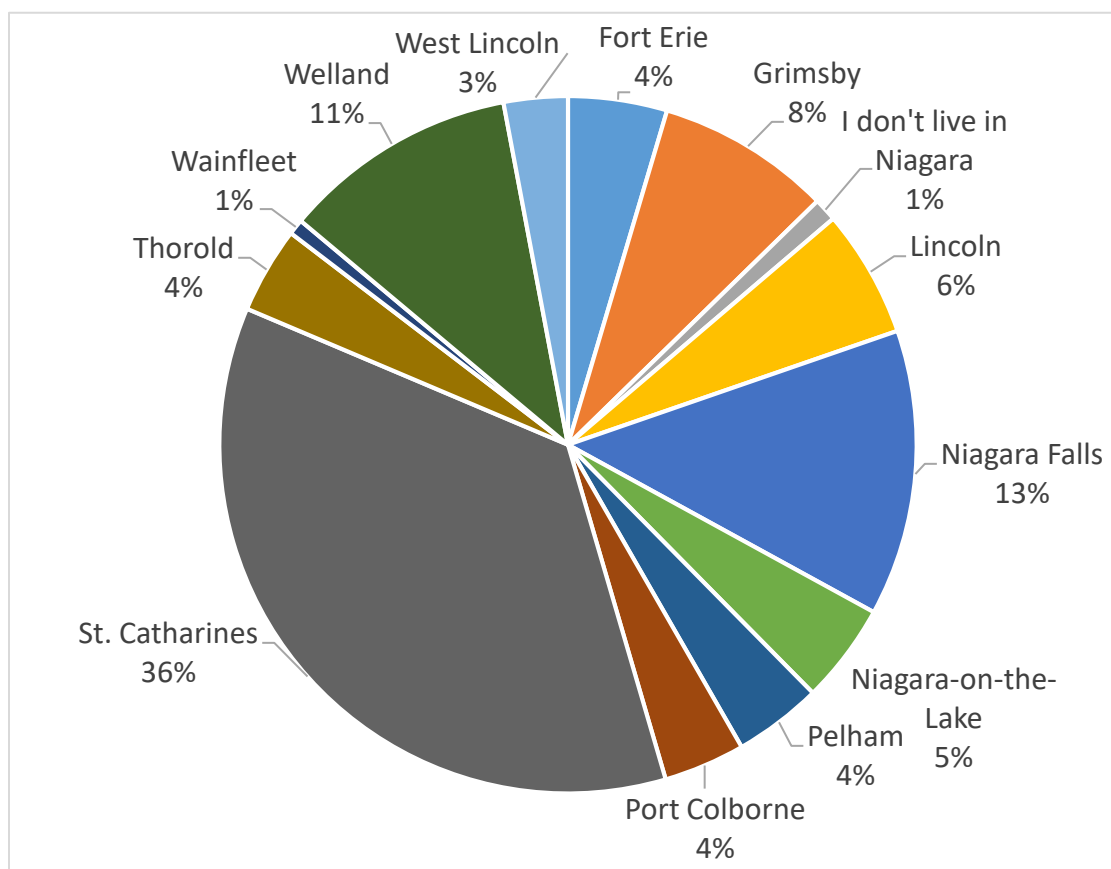
Respondents were also given the opportunity to add any additional comments about public transit in Niagara, and were invited to share their email address to be kept up-to-date as the project continues.

Number of respondents

A total of 2,251 individuals took the survey. Of those, 1,772 answered all questions in the survey, while the remainder only answered some. 789 respondents submitted comments through the survey, and 527 wished to receive further updates via email.

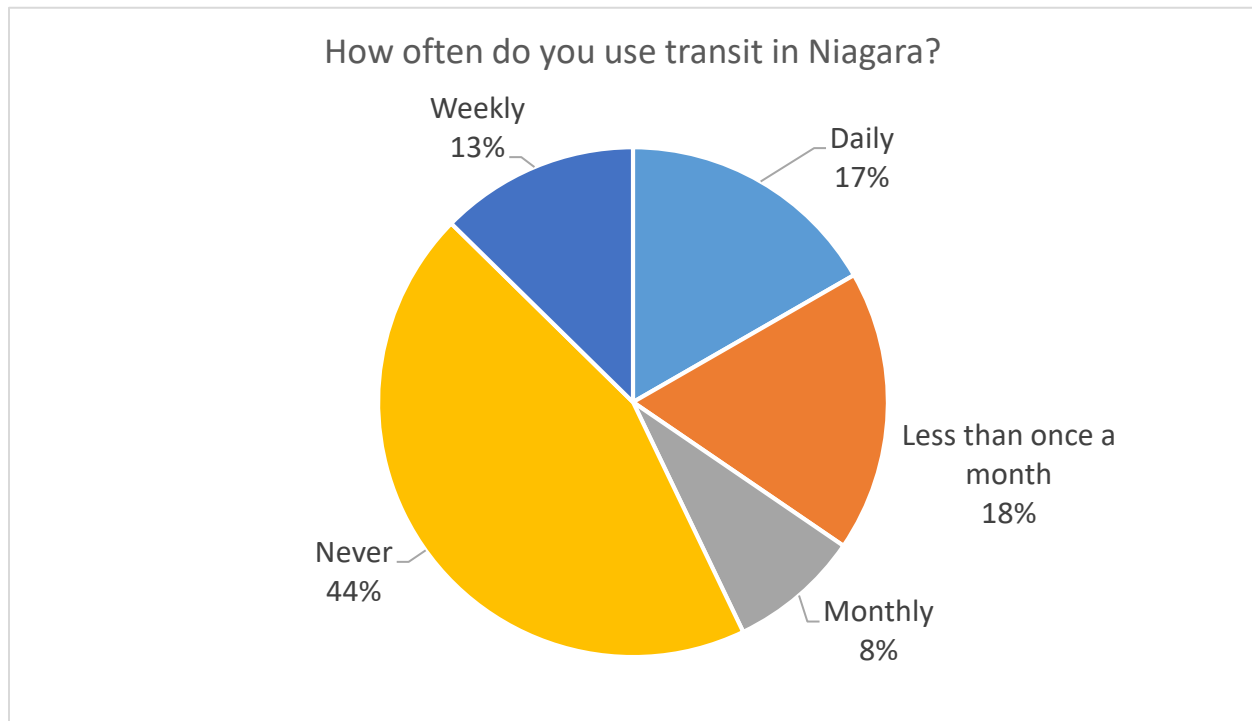
Survey questions and responses

1. Which municipality do you live in?

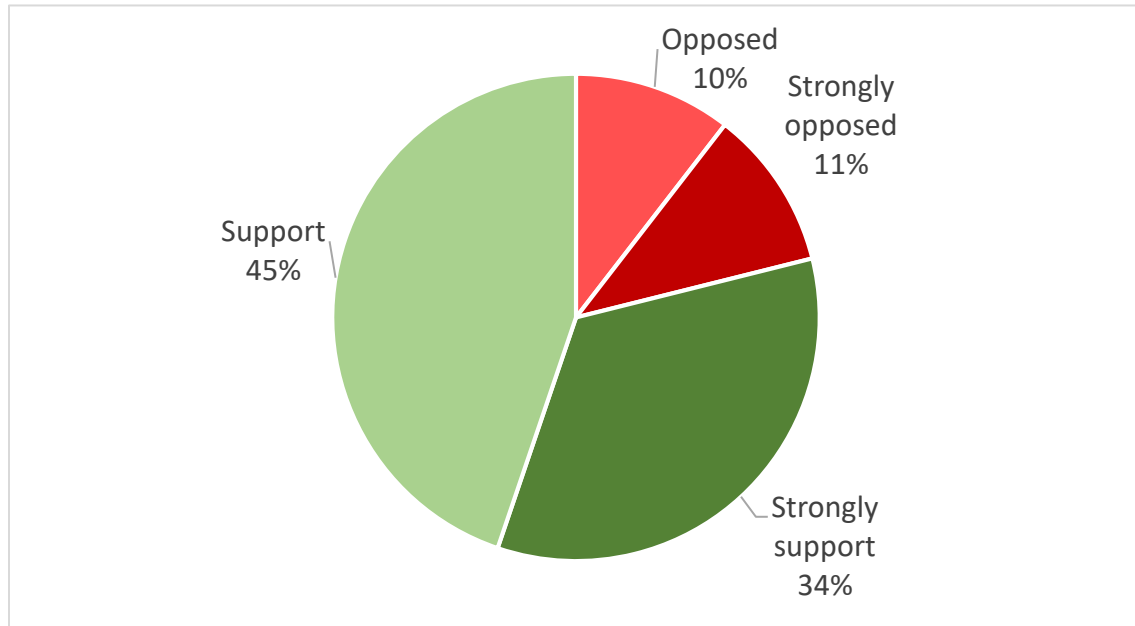


Local area municipality	Number of respondents
Fort Erie	102
Grimsby	180
I don't live in Niagara	24
Lincoln	132
Niagara Falls	295
Niagara-on-the-Lake	103
Pelham	91
Port Colborne	84
St. Catharines	798
Thorold	89
Wainfleet	16
Welland	243
West Lincoln	66

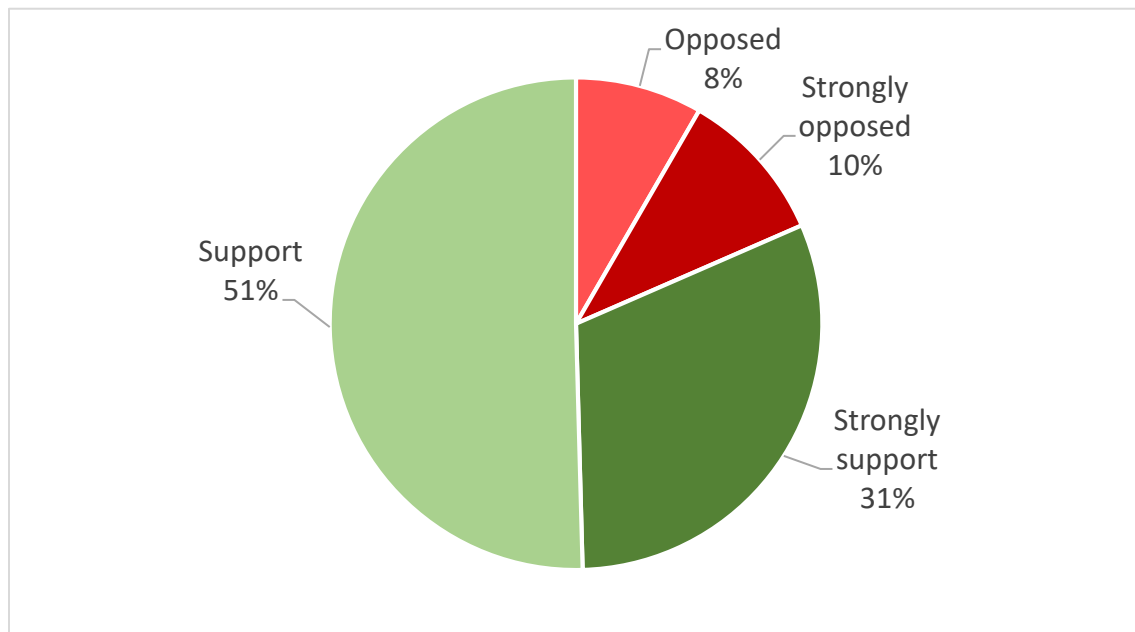
2. How often do you use transit in Niagara?



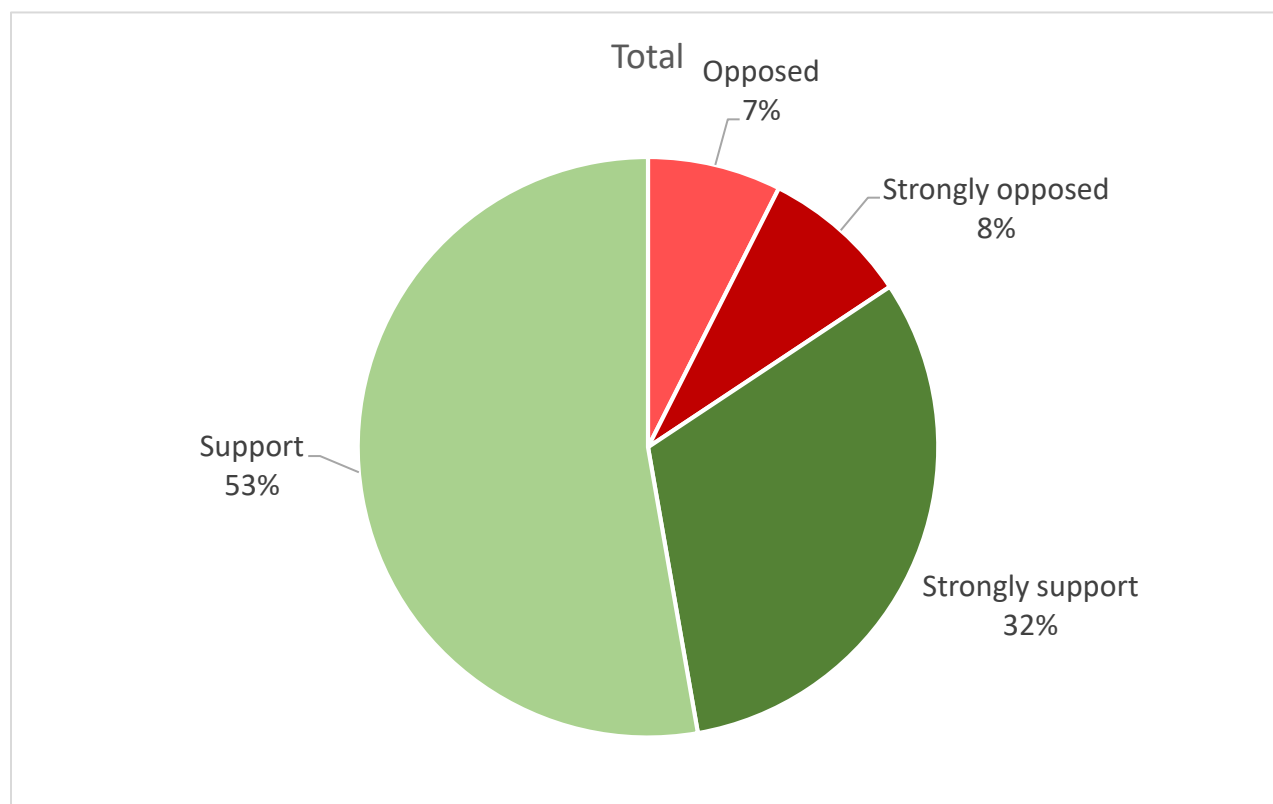
3. What is your level of support / opposition for the proposed financial strategy?



4. What is your level of support / opposition for the proposed governance structure?



5. What is your level of support / opposition for the Service Standards Strategy?



6. Open-ended comments

Residents shared a variety of comments about the proposed model, future service needs, and transit in general. Some of the more prominent themes among the comments included:

- Many respondents emphasized that any future service change must include expanded service hours, especially on Sundays and later into the evening
- A strong feeling that transit consolidation needs to happen as soon as possible, and is already long overdue
- Residents in smaller municipalities were concerned that they would have to shoulder the costs of service in larger urban municipalities. Conversely, residents in large municipalities like St. Catharines were worried that consolidation would result in a lower level of service in their community.

- Many respondents want to ensure that the future service particularly meets the needs of individuals with disabilities, seniors, and others who are unable to drive
- Respondents wish to see transit riders and Niagara residents strongly represented in the proposed governance model. Others, however, felt that there were too many representatives proposed.
- Respondents emphasized that the consolidated service must link effectively with the GO network in order to effectively link Niagara with the rest of the GTHA.
- Many respondents were supportive of the proposal, but did not want to see any cost increases to the taxpayer
- Respondents saw an opportunity for the model to incorporate green technology and environmentally friendly practices, emphasizing the positive effect such a system could have toward protecting Niagara's natural environment

Appendix 3 – Summary Term Sheet Municipal Transfer Agreements

The following is the proposed package of terms for the Municipal Transfer Agreements, which will guide the transfer of existing transit assets and personnel to the newly formed Transit Commission, subject to triple-majority approval, and to be negotiated individually between The Regional Municipality of Niagara and the City of Niagara Falls, City of St. Catharines, and City of Welland respectively.

The principles outlined in this term sheet represent the consensus recommendations of the CAO Governance Steering Committee, reflecting discussion, comments, and input received throughout the multi-year initiative to consolidate transit.

Note that all financial modeling was estimated based on 2020 budgets, assets, and debt levels. The final Financial Strategy will be adjusted prior to 2023 to reflect new assets and debt incurred and will be based on budget levels no less than 2020 operating budgets. Schedule A and B to this term sheet reflect the most recent estimates by municipalities - asset inventories and debt to be assumed by the Commission will be updated and finalized as part of the completion of the full Municipal Transfer Agreements.

Asset Transfer

- 1) Existing local transit assets, including but not limited to bus fleet, service vehicles, service equipment, and transit service facilities purchased or acquired prior to June 30, 2022 will transfer to the Transit Commission at no cost or, for the exclusive use of transit service delivery, in accordance with the Cummings Principle (the transfer of assets from one municipality to another at no additional compensation, because the municipal taxpayer has already paid for them).
 - a) Land on which transit service facilities reside will be retained by the local municipality, and the Region will conduct a Phase 2 environmental assessment.
 - b) Payment-in-lieu of taxes will be provided by the Commission to the local municipality, where applicable.
 - c) Transit service facilities with shared-use municipal components will transfer to the Commission, and be subject to an agreement to lease back at a nominal rate to the municipality those areas of the facility used for non-transit purposes.
 - d) Should the Commission no longer require a transferred asset to exclusively deliver transit services, the ownership of that asset will be transferred back to the original municipality.

- 2) The Commission will commit that existing fleet vehicles delivering local service within a municipality will continue to be utilized exclusively within that municipality for the remainder of their existing service life.
- 3) Local municipalities will make available to the Commission for inspection and condition assessment all transit assets prior to transfer, and will share all related documents related to the assets including information respecting insurance claims. The Commission will be under no obligation to assume assets deemed, at its discretion, to not be in suitable condition for transfer or to not be required to meet the future operational requirements of the Commission. The schedule of assets, specifically the asset count and with the corresponding cost to be transferred by each municipality is included as Schedule A to this document.
- 4) Any ongoing or in-progress capital improvement or acquisition projects will remain the responsibility of the municipality until completed and the asset transferred to Commission only upon completion at zero cost.
- 5) Local municipalities will disclose any agreements entered into related to transit operations in whole or in part, and that will extend beyond December 31, 2022. Copies will be provided to the Region.

Personnel Transfer

- 6) All current full-time, part-time, and union permanent staff, employed directly and fully in transit by local municipalities and hired prior to June 30, 2022, will transfer to the Commission.
- 7) Non-unionized employees will either be directly offered a position with the new Commission where there is anticipated to be a substantially similar role established, or have the opportunity to apply for new roles within the Commission. Where a non-unionized employee does not ultimately transfer to the Commission, they will remain employees of the Municipality in accordance with the *Public Sector Labour Relations Transition Act, 1997*.
- 8) Those employees whose full-time role with a municipality supports transit work as a only portion of their duties (i.e. corporate support personnel not fully employed in transit) will remain with the municipality.
- 9) The integration of the three existing Amalgamated Transit Unions (ATUs) will take place in accordance with the defined provincial process as outlined under the *Public Sector Labour Relations Transition Act, 1997* and by the Ontario Labour Relations Board.

Transit Operations

- 10) The Commission will assume full and exclusive operational responsibility for the delivery of transit on January 1, 2023.
- 11) The Commission will commit to maintain existing local service levels in each municipality, defined as a minimum of the budgeted 2020 local service hours, for a minimum of 7 years or unless otherwise consented to by the municipality.
- 12) The Commission will seek to establish a single common fare as identified in the financial model.
- 13) Municipalities will support the Commission in the placement of on-road transit infrastructure such as transit stops and shelters as required by facilitating their location.

WEGO

- 14) Niagara Region or the Transit Commission will negotiate and enter into an agreement with the Niagara Parks Commission and City of Niagara Falls such that authority for the delivery of the WEGO transit service will remain with the Niagara Parks Commission, in partnership with the City of Niagara Falls.
- 15) WEGO fleet and the WEGO transit facility will remain with the City of Niagara Falls and not be transferred to the Commission, unless otherwise agreed to by the parties as part of any future assumption of WEGO operations by the Commission.
- 16) The Niagara Parks Commission and City of Niagara Falls will continue to provide WEGO service for those routes currently delivered by each agency.
 - a) Transit operators currently employed by the Niagara Parks Commission in the delivery of WEGO service will not transfer to the Commission.
 - b) Transit operators currently employed by the City of Niagara Falls in the joint delivery of Niagara Falls Transit and contracted WEGO routes will transfer to the Commission.
 - c) The Commission and the City of Niagara Falls will enter into a service agreement, on the basis of an hourly fee, for the provision of operators to deliver the continued contracted City of Niagara Falls WEGO routes.

Transitional Period

- 17) A transitional 'steady-state' period will commence on July 1, 2022, beyond which municipalities will commit to make no additional operational, capital, or personnel changes beyond those previously budgeted, unless otherwise agreed to by the Commission, acting reasonably. This will include:

- a) The continued delivery of transit operations through December 31, 2022, including the maintenance of service levels in place as of June 30, 2022;
 - b) The assumption of additional or unplanned capital expenditures;
 - c) The undertaking of additional debt unless otherwise agreed to and may be subject to a different Municipal allocation than outlined in the Financial Strategy;
 - d) The onboarding of additional non-union or unionized staff; and
 - e) Continued adherence to asset management plans and the state-of-good repair of assets to be transferred to the Commission.
- 18) Assets, personnel, or debt acquired, on-boarded, or assumed by a municipality during this transition period will not transfer to the Commission, unless otherwise agreed to by the parties and the Region of Niagara.

Budgets

- 19) The transit budget associated with the transfer of local operating costs to the Region's twelve special levy model may be offset by equal and concurrent reductions to local Municipal budgets and levies to minimize the residential taxpayer impact from transit consolidation where possible.
- 20) Previously approved intergovernmental funding allocations for capital improvements related to transit will continue to be directed to the identified approved projects and initiatives within the original receiving municipality, until such time as the funding program commitments are satisfactorily met. . This includes any obligation referenced in paragraph 4.
- 21) Debt previously undertaken by municipalities to fund the purchase of transit assets will transfer to the Commission in accordance with Schedule B to this document.
- 22) Any financial assets or liabilities at December 31, 2022 will be accrued by the municipality in accordance with Public Sector Accounting Standards, and other than reserves and debt will remain the responsibility of the municipality at transition.
- 23) The assumption of any costs, operating contracts and debt by the Commission as at the transition date are subject to audit by the Region at the Region's discretion to confirm compliance with transition terms and obligations assumed by the Commission as at January 1, 2023.
- 24) Municipalities will be responsible to maintain and fund all 2022 operating costs from their 2022 transit operating budgets, inclusive of staff costs, until the Commission establishes its first budget in 2023.

- 25) Municipalities will provide an accurate record of claims history for a period of five (5) years before June, 2022 to assist the Commission in obtaining liability insurance coverage.

Commission Governance

- 26) The Commission must undertake a full governance review by an external third party and report back to Regional Council for decision by 2025. The implementation of the future permanent Board structure will coincide with the 2026 municipal election.
- 27) The Commission will obtain Officers and Director's and all other insurance coverage as soon as it is established.
- 28) The Commission will obtain Officers and Director's and commercial general liability insurance coverage as soon as it is established and all other insurance coverage required for the operation of a transit commission before January 1, 2023. The Commission is authorized to obtain competitive bids by reaching out to the insurers that currently provide coverage to the existing transit operations instead of issuing a Request for Proposals.
- 29) The Commission will appoint a General Manager to oversee the transition and who will report to the Commission Board.

Existing Agreements and Documentation

- 30) Existing agreements between municipal transit agencies and senior levels of government or third-party suppliers or contractors will transfer or be assigned subject to the provision of paragraph 22, to the Commission, subject to the specific requirements of those contracts. Where agreements cannot be assigned or transferred to the Commission, the originating municipality will retain responsibility, subject to adjustment at a later date.
- 31) Responsibility for existing legal claims or legal liabilities, or those initiated or founded in allegations related to the operations by the municipalities prior to the transfer of operational responsibility to the Commission on January 1, 2023 will remain with the municipalities.
- 32) Municipalities will provide and transfer applicable documentation, operating procedures, maintenance records, employee records or other materials necessary for the transition to the Commission.

Negotiation of Agreements and Dispute Resolution

- 33) The parties commit to the negotiation of the full municipal transfer agreements by no later than March 31, 2022.

34) Where direct discussion between the Region and municipalities does not satisfactorily resolve any issues, an independent mediator and/or arbitrator will be required to provide dispute resolution services, including binding decisions where agreement cannot be otherwise achieved between the parties. Costs for mediation or arbitration will be split between the Region and municipality.

Schedules

Schedule A – Municipal Assets for Transfer

Schedule B – Municipal Debt for Transfer

Schedule A – Municipal Assets for Transfer

Schedule A and B to this term sheet reflect current estimates - asset inventories and debt to be assumed by the Commission will be updated and finalized as part of the completion of the full Municipal Transfer Agreements.

Asset Category	Vehicle Count (Conventional & Specialized)	Acquisition Price	Accumulated Amortization	Current Net Book Value	Useful Life
Niagara Region					
Bus	30	\$14,245,039	\$2,267,951	\$11,977,088	10
St. Catharines					
Bus	91	\$46,362,278	\$26,987,076	\$19,375,202	12
Service Trucks	20	\$1,420,081	\$892,997	\$527,084	6
Land*		\$1,182,244	\$712,282	\$469,962	16
Facilities		\$11,475,701	\$3,987,557	\$7,488,144	22
Equipment		\$5,136,651	\$2,791,006	\$2,345,645	13
Technology		\$6,524,206	\$3,529,598	\$2,994,608	7
Sub-Total		\$72,101,162	\$38,900,517	\$33,200,645	
Niagara Falls					
Bus	47	\$24,135,770	\$15,423,652	\$8,712,118	12
Service Trucks	11	\$364,599	\$261,191	\$103,408	6
Land*		\$2,202,049	\$498,047	\$1,696,315	32
Facilities		\$21,832,585	\$3,724,925	\$18,107,660	24
Equipment		\$2,946,597	\$1,808,621	\$1,137,976	13
Technology		\$5,445,750	\$3,661,905	\$1,783,845	7
Sub-Total		\$56,927,350	\$25,378,341	\$31,541,321	

Asset Category	Vehicle Count (Conventional & Specialized)	Acquisition Price	Accumulated Amortization	Current Net Book Value	Useful Life
Welland					
Bus	22	\$7,438,333	\$2,563,944	\$4,874,389	12
Service Trucks	7	\$239,417	\$181,198	\$58,220	6
Land*		-	-	-	0
Facilities		\$4,329,238	\$2,089,308	\$2,239,930	21
Equipment		\$990,578	\$492,992	\$497,586	6
Technology		\$1,317,243	\$532,850	\$784,393	7
Sub-Total		\$14,314,809	\$5,860,291	\$8,454,518	

* In accordance with the principles outlined above, land will not transfer to the Commission and will remain with the original municipality.

Schedule B – Municipal Debt for Transfer
Balances as of December 31st, 2020*

	Debt year ending	Average Annual Debt Payment**	Long Term Debt	By-law Reference
Niagara Region Transit	2029	\$1,334,694	\$10,752,991	2019-59
St. Catharines Transit	2024/ 2027	\$73,824	\$481,635	2017-53, 2019-59
Niagara Falls Transit		\$0	\$0	
Welland Transit	2029	\$146,108	\$1,171,493	2012-73, 2017-51, 2019-14
Niagara-on-the-Lake				
Port Colborne				
Pelham				
Thorold				
Fort Erie				
Grimsby				
Lincoln				
West Lincoln				
Wainfleet				
		\$2,019,804	\$17,803,923	

*Final debt figures for transfer will be established as part of the negotiation of the full Municipal Transfer Agreements. The Region will not be required to transfer any debt above those totals identified in Schedule 'B' above unless otherwise agreed to and may be subject to a different Municipal allocation than outlined in the Financial Strategy.

**Includes principal and interest

*Prepared for the Regional Municipality of Niagara
(to be shared with Regional CAOs)
by Rae Christen Jeffries LLP
Privileged and Confidential*

Regional Transit Integration: Labour Relations and Employment Processes and Implications

Overview

You have asked us to provide a high level overview of how the amalgamation of three existing transit operations into one new entity might take place from a labour and employment perspective and to also highlight any potential issues, risks, or concerns.

We have had a chance to review the relevant law, legislation, and predecessor collective agreements but have not been provided with any employment contracts for review.

This overview is provided for the Regional Municipality of Niagara. We recommend that each of the existing transit units obtain individual legal advice regarding many of the issues raised below.

Factual Background

St. Catharines Transit Commission, Niagara Falls Transit, and Welland Transit are the three main transit units in the Niagara Region. St. Catharines Transit Commission is a stand alone entity and Niagara Falls Transit and Welland Transit are departments in their respective municipalities.

The Region is considering amalgamating these three entities, in addition to inclusion of the remaining nine municipalities without established unionized transit services, into one new Transit Commission.

Each of the three entities has unionized and non-union employees. The unionized employees at each entity are represented by three separate locals of the Amalgamated Transit Union (“ATU”), under three separate collective agreements, each with different terms and conditions of employment. St. Catharines Transit Commission is the largest entity, with more employees than the other two entities combined.

Each of the three collective agreements contemplates amalgamations, mergers, and/or successor rights. That said, these clauses add very little in terms of new obligations (on top of any obligations arising from statute and the common law). One requires 30 days’ notice; one requires that the predecessor employer make every reasonable effort to protect the interests of the bargaining unit employees. In general, the clauses reiterate the state of the law: that the new Transit Commission must recognize the predecessor collective agreements and the ATU’s bargaining rights.

Lastly, we understand that the WEGO service will stay with Niagara Falls Transit, with the operators either maintaining their employment with Niagara Falls Transit or having their employment transferred to the new Transit Commission but still working on the WEGO service.

The Amalgamation Itself: How Does it Occur from An Employment/Labour Relations Perspective

The new Transit Commission will need to pick an Amalgamation Date that will serve as the start date for the employees who are offered employment at the new Transit Commission.

Non-Union Employees

Non-union positions at the new Transit Commission may be filled with new external hires or with employees from the predecessor entities, or a combination of both. This can be determined through job competitions involving only external candidates, only predecessor entity candidates, or a combination of both. Or, the new Transit Commission can simply appoint/make an offer to an existing predecessor entity employee without a competition.

Typically, the majority of non-union employees in the new Transit Commission would come from the ranks of the predecessor entities in order to maintain knowledge transfer and to reduce severance costs, but there is no legal requirement for the new Transit Commission to retain any non-union employee.

Non-union employees from the predecessor entities who are offered employment at the new Transit Commission (either following a competition or without one) should be given two letters simultaneously, ideally at least eight weeks prior to the Amalgamation Date: the first letter is from their existing employer terminating their employment as of the Amalgamation Date, and it should refer to and enclose a second letter from the new Transit Commission offering employment as of the Amalgamation Date. The second letter should indicate the new job title (if any), any changes in terms and conditions of employment, and how the prior employment at the transit unit will be treated at the new Transit Commission for the purpose of various entitlements such as vacation and future termination of employment. This second letter may also include transitional information regarding issues such as pension, vacation, lieu time etc.

Employees from the predecessor entities should be given significant time (at least two weeks) to accept or reject this offer of employment in writing. Those who reject the offer of employment will be the responsibility of the relevant existing transit unit (unless otherwise agreed), but it likely can be successfully argued that they have failed to mitigate their damages and their entitlement is limited to their *Employment Standards Act, 2000* ("ESA") entitlements (this may be affected by any applicable language in any employment contract). Most employees tend to accept offers of this nature as long as the employee is provided with substantially the same terms and conditions of employment.

Some non-union employees from the predecessor entities may not be offered employment with the new Transit Commission. The termination of employment or reassignment of these employees would be the responsibility of the existing transit unit (unless otherwise agreed) and their entitlements would depend on any applicable contractual language and/or the common law.

Unionized Employees

As a basic principle, the new Transit Commission will inherit the existing Union(s) and collective agreements of the predecessor entities. While it need not retain all the unionized employees if it needs fewer employees than the combined existing complement (employees could be, for example, laid off by the predecessor entities prior to the amalgamation), it will be required to fill its complement of unionized employees with the existing unionized employees (i.e. it cannot hire externally for unionized positions unless it has already inherited all the existing unionized employees).

As soon as possible prior to the Amalgamation Date, the employees and the ATU Locals should be informed in writing of the Amalgamation Date and that the employment of the unionized employees who

are employed with the predecessor entity on the Amalgamation date will be transferred to the new Transit Commission. In order to avoid or narrow potential litigation either at arbitration or the Ontario Labour Relations Board (“OLRB”) (likely under the *Public Sector Labour Relations Transition Act, 1997* (“PSLRTA”), negotiations should commence as soon as possible with the ATU Locals regarding:

- Whether all the employees will transfer and, if not, what options will be provided to any non-transferring employees.
- What the appropriate bargaining unit will be (the new Transit Commission should take the position that all employees should be in one bargaining unit, but the details at the edges of that unit will require negotiation).
- Who will represent the employees in the new bargaining unit (presumably one of the existing ATU Locals).
- What the terms and conditions of employment will be in the short term, prior to the negotiation of a new collective agreement (the collective agreements flow through, but items such as the grievance procedure and layoffs/recall are typically immediately harmonized – the parties could agree to something like the Composite Agreement that exists under the *PSLRTA*).
- Any immediate transition issues such as treatment of seniority.

In a situation such as this, where there is one Union (albeit with multiple Locals), it is possible (and perhaps even likely) that all of the above could be negotiated without the need for any litigation or OLRB application. However, if such negotiations are not fully successful, one of the Local Unions or the new Transit Commission could make an Application to the OLRB to resolve outstanding issues.

Primary Issues, Risks, Costs, Concerns

1. **Timing:** There are potentially significant cost savings and labour relations goodwill to be gained by providing significant notice of the Amalgamation Date to the employees and the Unions. Two months would be a minimum (to deal with *ESA* notice issues), but up to 12 months would be ideal in order to allow time for discussions/negotiations to narrow issues in dispute and make the transition as seamless as possible.
2. **Logistics:** There are many different logistical issues related to the new Transit Commission obtaining employees that will have to be considered and planned for, so they are in place by the Amalgamation Date, including but not limited to, setting up payroll, benefits, and pension, training, assignment of work, determining reporting structures, etc.
3. **Terminations of Employment (non-union):** Each non-union employee from a predecessor entity who is not offered employment will be entitled to pay in lieu of notice either at common law or in accordance with an employment contract (if valid).
4. **Layoffs (unionized employees):** Each unionized employee who is not offered employment will need to be laid off in accordance with the terms of the applicable collective agreement.
5. **Recognition of Service/Seniority:** For both union and non-union employees, there are costs associated with prior service whether they be ongoing (vacation) or potential (future termination).

6. Reconciling Seniority (unionized employees): There will be three separate seniority lists that need to be amalgamated.
7. Reconciling/Harmonizing Terms and Conditions of Employment (unionized employees): There will be three different wage grids, vacation entitlements, public holiday entitlements, benefits, pension, etc. All of this will need to be reconciled in a first post-transition collective agreement. This will potentially be costly.
8. WEGO: The exact nature of the arrangement regarding WEGO should be determined as soon as possible as it could result in complications regarding the status of the Niagara Falls Transit collective agreement and the employees operating the WEGO service.
9. Litigation: There may be litigation (arbitration or OLRB, or both) regarding any of the above union issues if they cannot be all agreed upon. For the non-union employees, there could be litigation over any of the terminations of employment.

October 5, 2021.

THE REGIONAL MUNICIPALITY OF NIAGARA

BY-LAW NO. 2021-96

A BY-LAW TO ESTABLISH, OPERATE AND MAINTAIN A
CONSOLIDATED PASSENGER TRANSPORTATION SYSTEM FOR THE
REGIONAL MUNICIPALITY OF NIAGARA

WHEREAS Niagara Region Council deems it expedient and beneficial to address transit issues in Niagara Region;

WHEREAS the Linking Niagara Transit Committee was established to lead the development of a consolidated governance model, as well as the harmonization and integration of operational and policy regimes of the existing transit properties;

WHEREAS the Inter-municipal Transit Working Group was established to gather information and provide guidance on operational matters related to the transition to a consolidated transit system;

WHEREAS Niagara's four (4) major transit operators entered into a Memorandum of Understanding in 2017 that, in principle, endorsed the creation of a consolidated transit system;

WHEREAS all local area municipalities have been consulted on and provided input regarding the results of the Niagara Transit Governance Study, associated financial strategy, and the subsequently revised models reflecting initial feedback;

WHEREAS the Linking Niagara Transit Committee has endorsed the Commission governance model, Niagara Service Standards Strategy and associated twelve (12) special levy financial strategy as the models under which consolidation should take place as identified in Regional Reports LNTC-C 5-2021 and PW 55-2021;

WHEREAS Niagara Region obtained triple-majority authority in 2017 to establish, operate and maintain an inter-municipal passenger transportation system in Niagara Region and enacted By-law No. 2017-21 on March 23, 2017, which came into effect on June 1, 2017, in this regard;

WHEREAS under this new consolidated system, Niagara Region would plan and operate both intra-municipal and inter-municipal transit routes, including specialized and demand-responsive transit services, throughout Niagara Region creating one unified transit system;

WHEREAS existing transit assets would transfer to the Commission on the basis of Municipal Transfer Agreements, to be negotiated and entered into with the major transit operators substantially on the basis of the terms outlined in Appendix 3 to PW 55-2021;

WHEREAS Section 11 of the Municipal Act, 2001, Ch. 25, as amended, grants exclusive jurisdiction over the operation of transit services to lower-tier municipalities in Niagara Region; and

WHEREAS Section 189 of the Municipal Act, 2001, Ch. 25, as amended, provides an upper-tier municipality with the ability to pass a by-law for the transfer of all or part of a lower-tier power to the upper-tier municipality, subject to certain rules regarding consideration and approval by the lower-tier municipalities.

NOW THEREFORE the Council of The Regional Municipality of Niagara enacts as follows:

1. That the authority to establish, operate and maintain a consolidated passenger transportation system for Niagara Region be transferred to The Regional Municipality of Niagara;
2. That steps to transfer jurisdiction and related assets essential to operating a consolidated passenger transportation system to The Regional Municipality of Niagara begin immediately after the following requirements have been met:
 - a. A majority of the councils of the lower-tier municipalities forming part of Niagara Region have passed resolutions consenting to the by-law;
 - b. The total number of electors in the lower-tier municipalities that have passed resolutions consenting to the by-law form a majority of all electors in the Region of Niagara as established in the revised list of electors for the municipal election held in the year 2018.
3. That in this by-law, the term “consolidated passenger transportation system” shall mean a single, unified public transportation services system operating within or between any two or more of the twelve (12) lower-tier municipalities which comprise the Region of Niagara;
4. That The Regional Municipality of Niagara does hereby assume from all lower-tier municipalities comprising the Region of Niagara, those parts of the lower-tier power and related assets essential to provide public transportation systems, other than highways, necessary to own and operate a consolidated passenger transportation system as contemplated by this by-law;

5. That Sections 1 and 2 of the by-law shall come into force and effect on the day the requirements of Section 189 of the Municipal Act 2001, Ch. 25, as amended, are met;
6. That Section 4 of this by-law respecting the transfer of assets and operations to the new transit commission does not come into effect until January 1, 2023. For clarity, the lower-tier municipalities that operate public transportation systems will continue to do so until these operations transition to The Regional Municipality of Niagara on January 1, 2023.

THE REGIONAL MUNICIPALITY OF NIAGARA



James Bradley, Regional Chair



Ann-Marie Norio, Regional Clerk

Passed: November 25, 2021



Subject: Municipal Heritage Registry - First Round Revisions

To: Council

From: Planning and Development Department

Report Number: 2021-309

Meeting Date: December 13, 2021

Recommendation:

That Planning and Development Department Report 2021-309 be received;

That Council approve removing the properties listed in Appendix A of Planning and Development Department Report 2021-309 from the Municipal Heritage Registry; and

That Planning and Museum staff be directed to review the properties remaining on the registry and provide Council with further recommendations.

Purpose:

The purpose of this report is to provide Council with an update regarding the work that has been put into the review of the Municipal Heritage Registry, as well as recommend the removal of over 50 properties currently listed on the registry.

Background:

At its meeting on November 9, 2009, Port Colborne City Council adopted the City's current Municipal Heritage Registry. The registry was prepared a number of years ago by university students. Essentially, any property with a dwelling/building that was 100 years or older was added to the list. The Heritage Port Colborne Committee of the day noted that the list would still warrant further review, but it was necessary to adopt the registry, albeit a large one, to act as an early warning system. To date, it has become apparent that this review was never conducted.

Throughout the years since the registry's adoption, Planning staff have processed over 20 separate requests to have a property removed from the list. These requests typically come in through the form of a demolition permit application. Each request takes up a

considerable amount of staff time, as well as requires Heritage Committee and Council meetings to process the application.

While considering a request for the removal of a property from the registry on April 26, 2021, Council encouraged Planning staff to begin refining the listed properties on the registry in an effort to reduce the number of requests coming forward. Planning staff noted that it would be the goal of the summer student to review each property on the registry.

Discussion:

Section 27 of the *Ontario Heritage Act* requires that municipalities keep a register of properties that are of cultural heritage value or interest. The registry contains both “listed” properties and “designated” properties under Part IV of the Act.

Under staff’s supervision, the summer student was able to complete an extensive review of the registry. Each of the 552 properties were reviewed, documented, photographed and placed into a rating system. The rating system was primarily designed to review for architectural significance, contextual significance, and condition.

At its meeting on September 21, 2021, the Port Colborne Heritage Committee reviewed properties with a 0/10 rating. Properties included in the “zero” threshold were addresses that did not exist, vacant lots, and newly constructed buildings. The Committee was cautious in their approach; however, they recommended removing over 50 properties from the registry. For addresses that had buildings or dwellings on them, the Committee recommended that a second opinion be obtained from the City’s Museum and Archives staff. The list of “zero” rated properties and the Committee’s recommendation regarding each can be found in Appendix A.

Planning staff agree with the Committee’s recommendations. It is important to note that there could be other reasons for why properties may have originally been included in the registry, which is why the second opinion from the Museum staff is recommended. Further, staff would like to emphasize that if a property is removed from the list during this review, it could be added to the list again in the future. The Heritage Committee and staff will continue work on refining the list in the coming months in an effort to ensure the list only contains the City’s most significant properties. Staff note that the entire rating list has been provided as Appendix B; however, not all properties have been subject to a review from the Heritage Committee at this time.

Internal Consultations:

The Port Colborne Heritage Committee has reviewed each property with a 0/10 rating. Museum and Archives staff will be assisting with the next portion of the review for

properties with higher ratings. The goal of the Museum review is to ensure there are no glaring issues with removing an existing property from the registry.

Financial Implications:

There are no financial implications at this time. The review was completed with existing staff resources and the sequential review being conducted by Museum staff will also be completed with current staff resources. Any further review of the properties would need expertise of a consultant who specializes in heritage properties.

Public Engagement:

Public Engagement is not required for Heritage Registry refinements, however Planning staff have been notifying residents with heritage inquiries that the registry is currently undergoing a review. Further, staff note that recent changes to the *Ontario Heritage Act* require that municipalities notify property owners when their property is added to the registry. This notification is not required for a property's removal from the registry; however, Planning staff recommend that the City notify each property owner remaining on the registry once the review is complete.

Strategic Plan Alignment:

The initiative contained within this report supports the following pillar(s) of the strategic plan:

- Service and Simplicity - Quality and Innovative Delivery of Customer Services
 - People: Supporting and Investing in Human Capital
 - Governance: Communications, Engagement, and Decision-Making
-

Conclusion:

Planning staff would like to personally recognize and thank the Summer Planning Student, Ella Morkem, for all her hard work on bringing this list forward for Heritage Committee and Council consideration. Under the supervision of Planning staff, Ella was able to attend, document and photograph every property on the list in her short few months in the summer. Staff wish Ella well in her current year of studies.

Staff recommend that Council approve the recommendations set forth by the Heritage Committee and remove the properties as outlined in Appendix A from the Municipal Heritage Registry. Planning and Museum staff will continue working with the Heritage

Committee to bring forward further recommendations pertaining to properties where further investigation is recommended, and the remaining properties on the registry as provided in Appendix B.

Appendices:

- a. Zero-rated properties and Heritage Committee recommendation
- b. Comprehensive Municipal Heritage Registry rating list

Respectfully submitted,

David Schulz, BURPI
Planner
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Report Approval:

All reports reviewed and approved by the Department Director and also the City Treasurer when relevant. Final review and approval by the Chief Administrative Officer.



PORT COLBORNE HERITAGE
COMMITTEE – Recommendations
to Council arising from the
September 21, 2021 meeting

Rating of 0/10

Addresses that do not exist or buildings that have been demolished – Recommended to remove from list:

Street Number	Street Name	Reason for rating	Rating	Heritage Committee Recommendation
21	Adelaide	Moved to 60 Adelaide, keep 60 Adelaide	0	Remove
264	Barrick	Address does not exist	0	Remove
315	Barrick	Address does not exist	0	Remove
5251	Beach Rd	Vacant Lot	0	Remove
3986	Brookfield	Address does not exist	0	Remove
206	Catharine	Address does not exist	0	Remove
254	Catharine	Address does not exist	0	Remove
29-33	Charlotte	Now a park	0	Remove
56	Charlotte	Address does not exist	0	Remove
119	Charlotte	Address does not exist	0	Remove
122	Charlotte	Address does not exist	0	Remove
473	Davis	Address does not exist	0	Remove
133	Durham	Vacant Lot	0	Remove
731	Empire	Address does not exist	0	Remove
220	Empire	New Built	0	Remove
55	Fares	Vacant Lot	0	Remove
163	Fares	New build, original torn down, lot address now changed to 37 Mitchell	0	Remove
1097	Highway 3	Address does not exist	0	Remove
3278	Highway 3	Address does not exist	0	Remove
8 – 10	Kent	Address does not exist	0	Remove
398	Killaly St. E	Vacant commercial land	0	Remove
758	Killaly St. E	Vacant Lot	0	Remove
770	Killaly St. E	Address does not exist	0	Remove
1379	Killaly St. E	New build, 2021	0	Remove
135	Killaly St. W	Address does not exist	0	Remove
180	King	Vacant Lot	0	Remove

561	King	Address does not exist, old bowling alley	0	Remove
664	King	Demolished	0	Remove
707	King	Address does not exist	0	Remove
720	King	Demolished	0	Remove
791	King	Address does not exist	0	Remove
773	King	Built 1986	0	Remove
708	Lorraine	Vacant Lot	0	Remove
854	Lorraine	Address does not exist	0	Remove
105	Main St. West	No building on lot – parking lot	0	Remove
114	Main St. West	Vacant Lot	0	Remove
185	Main St. West	Address does not exist	0	Remove
201	Main St. West	Address does not exist	0	Remove
256	Main St. West	Address does not exist	0	Remove
280	Main St. West	Address does not exist		Remove
507	Michael	Address does not exist	0	Remove
5363	Michener	Address does not exist	0	Remove
1836	Miller	Vacant lot	0	Remove
9	Neff St	Address does not exist	0	Remove
27	Neff St	Vacant Lot	0	Remove
4	Park	Address does not exist	0	Remove
666	Pleasant Beach	Address does not exist	0	Remove
4250	Sherkston	Address does not exist	0	Remove
5065	Sherkston	Address does not exist	0	Remove
89	Welland	Vacant Lot	0	Remove
281	Welland	Address does not exist	0	Remove
262/264	West	Address does not exist	0	Remove
2207	White	No building on lot	0	Remove
3247	Yager	Address does not exist	0	Remove

Addresses recommended for further investigation by Museum and Archives staff:

Street Number	Street Name	Reason for rating	Rating	Heritage Committee Recommendation
1627	Killaly St. E	Less than 100 years old, built 1976	0	Further investigation from Museum recommended
138	King	Less than 100 years old, built 1989	0	Further investigation from Museum recommended
521	King	Less than 100 years old, built 1987	0	Further investigation from Museum recommended

620	King	Less than 100 years old, built 1977	0	Further investigation from Museum recommended
129	Main St. West	Less than 100 years old, built 1978	0	Further investigation from Museum recommended
3603	Miller	New House, old barn 1840 (barn not inspected)	0	Further investigation from Museum recommended
5306	Sherkston	New house built, original torn down	0	Further investigation from Museum recommended
5488	Sherkston	Dwelling less than 100 years old, barn built 1836 – poor condition	0	Further investigation from Museum recommended
79	St. Arnaud	Less than 100 years old, built 1998	0	Further investigation from Museum recommended
2437	Third Concession Rd	Less than 100 years old, built 1994	0	Further investigation from Museum recommended
2207	White	No dwelling on lot, factory (port colborne poultry)	0	Further investigation from Museum recommended
2577	White	Demolished, rebuilt 1941	0	Further investigation from Museum recommended
84	West	Less than 100 years old, built 1983	0	Further investigation from Museum recommended
46	Westside Rd	Less than 100 years old, built 2005	0	Further investigation from Museum recommended
3499	Zavitz	Less than 100 years old, built 2017	0	Further investigation from Museum recommended



PORT COLBORNE

PORT COLBORNE HERITAGE COMMITTEE – Municipal Heritage Registry Rating List

Rating System

Ratings for all properties were based primarily on architectural, contextual significance, and condition, as limited historical information was available. Alterations which negatively impacted significant architectural features may have resulted in a lower rating. Year Built did not play a major role in the rating process. For simplification, an alphabetical system may be used in place of the numerical system used. 8-10 = A rating, 5-7 = B rating, 3-4 = C rating, 0-2 = D rating.

Heritage Properties: 8-10 Rating (Should remain on list)

Properties in great-excellent condition and/or with significant historical value and/or architectural features. Includes Designated Properties.

Street Number	Street Name	Brief Reason	Rating	Year Built	Designated?
21	Adelaide	Significant architectural features	8	1875	No
146	Bell	Significant architectural features	8	1900	No
13	Catharine	Significant architectural features, possible historical value based on location and surrounding properties	8	1895	No
28	Catharine	Significant architectural features, possible historical value based on location and surrounding properties	8	1918	No
29	Catharine	Significant architectural features, possible historical value based on location and surrounding properties	8	1908	No
32-34	Charlotte	Significant architectural features	8	1920	No
208/210	Clarence	Significant architectural features	8	1860	No
1152	Clark Road	Significant architectural features	8	1816	No
688	Elm	Significant architectural features	8	1862	No
435	Fares	DeWitt Carter Public School, architectural features, landmark	8	1912	No
320	Fielden	Significant architectural features, school	8	1924	No
77	Kent	Significant architectural features	8	1900	No
368	King	Significant architectural features	8	1873	No
599	King	Significant architectural features	8	1880	No
272	Lakeshore	Sugarloaf Farm	8	1887	No
91	Main St. W	Significant architectural features	8	1874	No
202	Main St. W	One of the oldest on the street	8	1860	No

220	Main St. W	Significant architectural features	8	1909	No
1580	Miller	Significant architectural features	8	1895	No
2882	Miller	Historical Significance (should be verified by museum. See spreadsheet for details	8	1890	No
58	Neff St.	Significant architectural features	8	1910	No
111	Oakwood	Significant architectural features	8	1851	No
76	Ramey	Significant architectural features	8	1900	No
3920	Second Concession	Significant architectural features	8	1880	No
4838	Sherkston Rd	Significant architectural features	8	1869	No
5446	Skerkston Rd	Significant architectural features	8	1860	No
65	Sugarloaf	Significant architectural features	8	1875	No
49	Tennessee	Significant architectural features, historical value	8	1890	No
59	Tennessee	Significant architectural features, historical value	8	1875	No
89	Tennessee	Significant architectural features, historical value	8	1880	No
101	Tennessee	Significant architectural features, historical value	8	1880	No
113	Tennessee	Significant architectural features, historical value	8	1890	No
133	Tennessee	Significant architectural features, historical value	8	1910	No
1742	Third Concession	Significant architectural features, Bethel United Church	8	1883	No
736	Weaver	Possible historical value due to its age, architectural features	8	1831	No
56	West	Significant architectural features, contextual & historical value	8	1890	No
62	West	Significant architectural features, contextual & historical value	8	1850	No
192	West	Significant architectural features, contextual & historical value	8	1852	No
183	Borden	Significant architectural features, historical value	9	1862	
326	Catharine	Significant architectural features	9	1910	No
1739	Killaly St. East	Significant architectural features	9	1875	No
354	King	Significant architectural features	9	1917	No
632	King	Significant architectural features	9	1875	No
106	Main St. West	Significant architectural features	9	1875	No
115	Main St. West	Significant architectural features	9	1875	No
130	Main St. West	Significant architectural features	9	1862	No
207	Main St. West	Significant architectural features	9	1870	No
19	Tennessee	Significant architectural features, historical value	9	1912	No

33	Tennessee	Significant architectural features, historical value	9	1875	No
34	Tennessee	Significant architectural features, historical value	9	1890	No
158	West	Significant architectural features, contextual & historical value	9	1869	No
188/190	West	Significant architectural features, contextual & historical value	9	1869	No
196	West	Significant architectural features, historical value, Wicken's Building	9	1920	No
260	West	Significant architectural features, contextual & historical value	9	1875	No
14	Catharine	Designated, historical value, significant architectural features	10	1890	Yes
55	Charlotte	St. James Anglican Church, significant architectural features, Landmark	10	1916	No
2703	Chippawa	Designated, Historical value, architectural features	10	1915	Yes
296	Fielden	Designated, Roselawn Centre, historical value, significant architectural features	10	1866	Yes
1001	Firelane 1	Chew House/ William Brown House Significant architectural features	10	1948	Yes
269	Killaly St. West	Designated, Old Mennonite Church, historical value, significant architectural features	10	1890	Yes
44	King	Significant Architectural Features, Likely historical value	10	1860	No
123	King	St. Patrick's Catholic Church, Significant Architectural Features, landmark	10	1869	No
280	King	Historical & Marine Museum, historical value, significant architectural features	10	1869	No
322	King	Designated, Ingleside House, Significant architectural features	10	1866	Yes
380	King	Designated, Significant architectural features	10	1909	Yes
239	King	Federally Designated, Significant Historical Value, One of the earliest remaining examples of a building constructed specifically for automobiles	10	1925	Yes

518	King	Designated, significant architectural features, historical value	10	1863	Yes
76	Main St. West	Designated, Humberstone town hall, significant historical value & architectural features	10	1852	Yes
145	Main St. West	Designated, Architectural features, historical value	10	1872	Yes
155	Main St. West	Designated, architectural features, historical value	10	1896	Yes
50	Neff St.	Significant architectural features, age	10	1848	No
5222	Second Concession	Significant architectural features, historical value, age	10	1837	No
1271	Sherk	Designated, significant architectural features	10	1875	Yes
210	Steel	Steel Street School, Significant Architectural features, landmark, historical value	10	1915	No
334	Sugarloaf	Designated, Tennessee Gates	10		Yes
3	Tennessee	Designated, Tennessee Gates	10		Yes
19	Tennessee	Old Casino House, Historical value, Significant architectural features	10	1912	No
212/214	West	Designated, significant architectural features, contextual & historical value	10	1929	Yes

Heritage Properties: 5-7 Rating (Could remain on list if found to be historically significant)

Properties in good condition, with relatively significant architectural features. Should be reviewed for historical value. None of these properties are designated.

Street Number	Street Name	Brief reason for rating	Rating	Year Built
621	Cedar Bay Rd	Architectural features, check for historical value, good condition	7	1875
352	Chippawa Rd	Significant historical value as described by owner, should be reviewed by staff, see spreadsheet for info, farm	7	1880
1024	Chippawa Rd	Architectural features, check for historical value, farm	7	1850
1245	Chippawa Rd	Architectural features, check for historical features, rural property	7	1885
216	Clarence	Architectural features, check for historical features	7	1890
232	Clarence	Architectural features, check for historical features	7	1904

75	Colborne	One of the oldest buildings in this neighbourhood, check for historical features	7	1894
238	Fielden	Architectural features, check for historical value	7	1873
592	Fielden	Oldest on Street, architectural features	7	1880
730	Fielden	Architectural features	7	1890
3757	Forkes	Architectural features, good-great condition	7	1883
770	Hwy 3 E	Architectural features	7	1899
2665	Hwy 3 E	Architectural features, good condition	7	1888
2702	Hwy 3 E	Architectural features	7	1890
2790	Hwy 3 E	Architectural features	7	1865
65	Kent	Architectural features	7	1870
115	Kent	Architectural features	7	1907
123	Kent	Architectural features	7	1905
29/31	Killaly St. West	Architectural features	7	1900
171	Killaly St. West	Architectural features	7	1863
239	King	Architectural features	7	1925
593	King	Architectural features	7	1860
646	King	Architectural features	7	1860
27	Main St. West	Architectural features	7	1902
1359	Miller	Architectural features	7	1901
86/88	Neff St.	Architectural features	7	1860
16	Park	Architectural features, oldest on street	7	1840
26	Park	Architectural features	7	1855
30	Park	Architectural features	7	1855
44	Park	Architectural features	7	1870
72	Ramey	Architectural features	7	1854
3288	Second Concession	Architectural features	7	1870
5966	Sherkston Rd	Architectural features	7	1850
86	Silver	Architectural features	7	1890
228	Steele	Architectural features	7	1886
25	Sugarloaf	Architectural features	7	1868
105	Tennessee	Architectural features, could have historical value	7	1890
109	Tennessee	Architectural features, could have historical value	7	1890
119	Tennessee	Architectural features, could have historical value	7	1880
125	Tennessee	Architectural features, could have historical value	7	1890
2352	Third Concession	Architectural features	7	1840/1906
12	Walnut	Architectural features	7	1912
136	West	Architectural features	7	1892

140	West	Architectural features	7	1890
144	West	Architectural features	7	1911
152	West	Architectural features	7	1895
1715	White	Architectural features	7	1916
3670	Yager	Architectural features	7	1870
1623	Brookfield	Architectural features	7	1870
25	Canal Bank	Architectural features	6	1880
262	Catharine	Significant architectural features, however addition hides some significant features, see spreadsheet for details	6	1885
666	Cedar Bay Rd	Architectural features	6	1900
67	Clarence	Architectural features, alterations affecting some features	6	1923
178	Clarence	Architectural features	6	1878
2739	Highway 3	Architectural features	6	1875
5346	Highway 3	Architectural features	6	1875
114	Kent	Architectural features	6	1909
185	Killaly St West	Architectural features	6	1850
143	King	Architectural features	6	1900
150	King	Architectural features	6	1897
172	King	Architectural features	6	1901
422	King	Architectural features	6	1926
548/550	King	Architectural features	6	1950
626	King	Architectural features	6	1917
640	King	Architectural features	6	1875
5100	Lever	Architectural features, good condition	6	1880
255	Main St. W	Architectural features	6	1913
360	Main St. W	Architectural features	6	1865
2506	Miller	Architectural features	6	1893
1402	Neff Rd	Architectural features, good condition	6	1880
736	Pinecrest	Architectural features, check for historical significance	6	1899
57	Pine	Architectural features	6	1869
178	Steele	Architectural features	6	1909
83	Tennessee	Architectural features	6	1890
91	Tennessee	Architectural features	6	1880
1795	Third Concession	Architectural features, should be reviewed for historical value	6	1850
856	Weaver	Architectural features	6	1890
70	West	Architectural features	6	1890
146	West	Architectural features	6	1900
148	West	Architectural features	6	1924
176	West	Architectural features	6	1974
182	West	Architectural features	6	1900
3980	Wilhelm	Architectural features	6	1880
895	Wyldeewood	Architectural features	6	1880
66	Adelaide	Architectural features	5	1875

67	Adelaide	Architectural features	5	1870
245	Bell	Architectural features	5	1880
136	Catharine	Architectural features	5	1910
153	Chippawa	Architectural features	5	1910
572	Chippawa	Architectural features	5	1850
975	Chippawa	Architectural features	5	1913
1445	Chippawa	Architectural features	5	1884
1	Clarence	Architectural features, should be checked for historical value	5	1928
264	Clarence	Architectural features	5	1877
302/304	Clarence	Architectural features	5	1906
15	David	Architectural features	5	1912
Port Colborne High School	Elgin	Possible historical & contextual significant	5	1923
69	Elgin	Architectural features	5	1910
56	Elm	Architectural features	5	1893
825	Elm	Architectural features	5	1885
532	Empire	Architectural features	5	1890
367	Fares	Architectural features	5	1904
447	Fares	Architectural features	5	1885
41	George	Architectural features	5	1900
1331	Hwy 3 E	Architectural features	5	1900
2309	Hwy 3 E	Architectural features, great condition	5	1898
2935	Hwy 3 E	Architectural features	5	1880
4109	Hwy 3 E	Architectural features	5	1880
109	Kent	Architectural features	5	1903
1193	Killaly St E	Architectural features	5	1906
86	King	Architectural features	4-5	1872
87	King	Architectural features	4-5	1865
215	King	Architectural features	5	1870
524	King	Architectural features	5	1908
530	King	Architectural features	5	1910
602	King	Architectural features	5	1911
761	King	Architectural features	5	1900
121/123	Lakeshore	Architectural features	5	1880
606	Lorraine	Architectural features	5	1880
100	Main St. West	Architectural features	5	1875
223	Main St. West	Architectural features	5	1887
36	McCain	Architectural features	5	1860
5591	Michener	Architectural features	5	1863
3104	Miller	Architectural features	5	1860
165	Neff	Architectural features	4-5	1880
22	Park	Architectural features	5	1875
34	Park	Architectural features	5	1870
566	Pleasant Beach	Architectural features	5	1875
591	Pleasant Beach	Architectural features	5	1875
5167	Second Concession	Architectural features	5	1875

5625	Second Concession	Architectural features	5	1865
5212	Sherkston	Architectural features	5	1860
20	Steele	Architectural features	5	1865
21	Sugarloaf	Architectural features	5	1868
51	Sugarloaf	Architectural features	5	1924
77	Sugarloaf	Architectural features	5	1880
90	Sugarloaf	Architectural features	5	1868
1870	Third Concession	Architectural features	5	1865
2784	Third Concession	Architectural features	5	1868
1152	Troup	Architectural features	5	1870
1170	Troup	Architectural features	5	1870
94	Victoria	Architectural features	5	1865
108	Victoria	Architectural features	5	1908
162	West	Architectural features	5	1926
256	West	Architectural features	5	1924
1866	West	Architectural features	5	1860
2464	White	Architectural features	5	1900

0-4 Rating

3-4:

Little significant architectural features, and/or in fair-good condition.

Street Number	Street	Brief reason for rating	Rating	Year Built
310	Catharine	Few significant architectural features, good condition	4	1876
358	Catharine	Few significant architectural features, good condition	4	1905
42	Charles	Few significant architectural features, good condition	4	1900
44	Charles	Few significant architectural features, good condition	4	1922
17	Charlotte	Few significant architectural features, good condition	4	1860
112	Charlotte	Few significant architectural features, good condition	4	1890
205	Chippawa	Few significant architectural features, good condition	3-4	1901
1246	Chippawa	Few significant architectural features, good condition	4	1860
57	Delhi	Few significant architectural features, good condition	4	1875
252	Division	Few significant architectural features, good condition	4	1900
63	Elgin	Few significant architectural features, good condition	4	1910

610	Elm	Few significant architectural features, good condition	4	1875
625	Elm	Few significant architectural features, good condition	4	1910
83	Erie	Few significant architectural features, good condition	4	1900
227	Fares	Few significant architectural features, good condition	4	1910
329	Fares	Few significant architectural features, good condition	4	1890
349	Fares	Few significant architectural features, good condition	4	1850
379	Fares	Few significant architectural features, good condition	4	1875
252	Fielden	Few significant architectural features, good condition	4	1882
547	Fielden	Few significant architectural features, good condition	4	1900
550	Fielden	Few significant architectural features, good condition	4	1860
4261	Forkes	Few significant architectural features, poor condition	4	1890
76/80	Fraser	Few significant architectural features, good condition	4	1879
698	Hwy 3 West (Main St. West)	Few significant architectural features, good condition	4	1880
2652	Hwy 3	Few significant architectural features, fair condition	4	1904
3493	Hwy 3	Few significant architectural features, poor-fair condition	4	1880
19-21	Kent	Few significant architectural features, good condition	4	1910
52	Kent	Few significant architectural features, good condition	4	1885
56	Kent	Few significant architectural features, good condition	4	1880
110	Kent	Few significant architectural features, good condition	4	1910
149	Killaly St. West	Few significant architectural features, good condition	4	1890
157	Killaly St. West	Few significant architectural features, good condition	4	1902
211	Killaly St. West	Few significant architectural features, good condition	4	1865
164	King	Few significant architectural features, fair - good condition	4	1867
547	King	Few significant architectural features, fair condition	4	1905
693	King	Few significant architectural features, good condition	4	1900

725	King	Few significant architectural features, good condition	4	1902
748	King	Few significant architectural features, fair-good condition	4	1885
755	King	Few significant architectural features, good condition	4	1900
4841	Lever	Few significant architectural features, addition, good condition	4	1890
5245	Lever	Few significant architectural features, addition, good condition	4	1880
53	Main St West	Few significant architectural features, good condition	4	1910
120	Main St. West	Few significant architectural features, good condition	4	1870
247	Main St. West	Few significant architectural features, good condition	4	1890
357	Main St. West	Few significant architectural features, good condition	4	1900
226	Mellanby	Few significant architectural features, good condition	4	1880
2575	Miller	Few significant architectural features, good condition	4	1880
35	Pine	Few significant architectural features, fair-good condition	4	1908
34	Ramey	Few significant architectural features, good condition	4	1904
5031	Sherkston	Few significant architectural features, poor-fair condition, house was condemned in 1972	4	1850
5420	Sherkston	Few significant architectural features, good condition	4	1850
64	Steele	Few significant architectural features, good condition	4	1900
86	Steele	Few significant architectural features, good condition	4	1918
108	Sugarloaf	Few significant architectural features, good condition	4	1890
2148	Third Concession	Few significant architectural features, good condition	4	1870
49	Victoria	Few significant architectural features, good condition	4	1865
95	Victoria	Few significant architectural features, good condition	4	1914
266	West	Few significant architectural features, good condition	4	
55	Adelaide	Few significant architectural features, fair condition	3	1880
79	Adelaide	Few significant architectural features, fair condition	3	1880
109	Adelaide	Few significant architectural features, good condition	3	1902

115	Adelaide	Few significant architectural features, fair condition	3	1890
167	Ash	Few significant architectural features, good condition	3	1890
25	Beech	Few significant architectural features, good condition	3	1910
160	Bell	Few significant architectural features, fair condition	3	1895
1	Borden	Few significant architectural features, fair condition	3	1863
133	Borden	Few significant architectural features, great condition	3	1890
35	Canal Bank	Few significant architectural features, fair condition	3	1910
37	Canal Bank	Few significant architectural features, good condition	3	1877
133	Catharine	Few significant architectural features, fair condition	3	1870
172	Catharine	Few significant architectural features, fair condition	3	1910
304	Catharine	Few significant architectural features, fair condition	3	1880
66	Charles	Few significant architectural features, fair condition	3	1895
20	Charlotte	Few significant architectural features, fair-good condition	3	1910
169	Charlotte	Few significant architectural features, good condition	3	1890
205	Chippawa	Few significant architectural features, good condition	3	1901
998	Chippawa	Few significant architectural features, fair - good condition	3	1852
2831	Chippawa	Few significant architectural features, good condition	3	1870
2950	Chippawa	Few significant architectural features, fair condition	3	1860
24	Church	Few significant architectural features, fair condition	3	1899
28	Church	Few significant architectural features, fair condition	3	1910
78	Clarence	Few significant architectural features, good condition	3	1870
170	Clarence	Few significant architectural features, good condition	3	1904
217	Clarence	Few significant architectural features, fair-good condition	3	1907
78	Elm	Few significant architectural features, good condition	3	1895
82	Elm	Few significant architectural features, good condition	3	1895

187	Erie	Few significant architectural features, good condition	3	1880
120	Fares	Few significant architectural features, good condition	3	1890
126	Fares	Few significant architectural features, fair condition	3	1890
216	Fares	Few significant architectural features, good condition	3	1917
222	Fares	Few significant architectural features, good condition	3	1913
272	Fares	Few significant architectural features, fair condition	3	1917
277	Fares	Few significant architectural features, fair condition	3	1870
283	Fares	Few significant architectural features, fair condition	3	1880
557	Fielden	Few significant architectural features, fair - good condition	3	1900
583	Fielden	Few significant architectural features, fair - good condition	3	1880
605	Fielden	Few significant architectural features, fair condition	3	1880
33	George	Few significant architectural features, good condition	3	1902
34	George	Few significant architectural features, fair condition	3	1896
1326/9	Hwy 3 E	Few significant architectural features, fair condition	3	1912
4181	Hwy 3 E	Few significant architectural features, good condition	3	1880
22	Kent	Few significant architectural features, good condition	3	1890
57	Kent	Few significant architectural features, fair condition	3	1900
66	Kent	Few significant architectural features, fair condition	3	1895
93/95	Kent	Few significant architectural features, good condition	3	1900
94/96	Kent	Few significant architectural features, good condition	3	1907
101	Kent	Few significant architectural features, good condition	3	1902
104	Kent	Few significant architectural features, good condition	3	1907
741	Killaly St East	Few significant architectural features, good condition	3	1870
62	King	Few significant architectural features, fair condition	3	1866
101	King	Few significant architectural features, good condition	3	1877

134	King	Few significant architectural features, good condition	3	1890
265	King	Few significant architectural features, good condition	3	1925
537	King	Few significant architectural features, good condition	3	1895
613	King	Few significant architectural features, good condition	3	1919
665	King	Few significant architectural features, good condition	3	1890
688	King	Few significant architectural features, fair condition	3	1890
740	King	Few significant architectural features, fair - good condition	3	1862
765	King	Few significant architectural features, fair condition	3	1900
774	King	Few significant architectural features, fair condition	3	1894 (date of completion)
783	King	Few significant architectural features, fair condition	3	1890
821	King	Few significant architectural features, good condition	3	1860
650	Lorraine	Few significant architectural features, good condition	3	1871
45	Main St. West	Few significant architectural features, good condition	3	1912
85	Main St. West	Few significant architectural features, good condition	3	1902
124	Main St. West	Few significant architectural features, fair-good condition	3	1896
189	Main St. West	Few significant architectural features, good condition	3	1877
196	Main St. West	Few significant architectural features, good condition	3	1880
229	Main St. West	Few significant architectural features, good condition	3	1890
296	Main St. West	Few significant architectural features, good condition	3	1880
354	Main St. West	Few significant architectural features, good condition	3	1905
38	McCain	Few significant architectural features, fair - good condition	3	1880
62	McCain	Few significant architectural features, good condition	3	1900
249	Mellanby	Few significant architectural features, fair condition	3	1884
146	Neff	Few significant architectural features, good condition	3	1902
149	Neff	Few significant architectural features, good condition	3	1906

164	Neff	Few significant architectural features, fair - good condition	3	1905
25	Nickel	Few significant architectural features, fair condition	3	1910
150	Omer	Few significant architectural features, fair - good condition	3	1890
34	Pine	Few significant architectural features, good condition	3	1908
42	Pine	Few significant architectural features, good condition	3	1906
484	Pleasant Beach	Few significant architectural features, good condition	3	1890
83	Rodney	Few significant architectural features, good condition	3	1914
5080	Sherkston	Few significant architectural features, fair condition, could be historically significant	3	1825
34	Steele	Few significant architectural features, good condition	3	1885
87	Sugarloaf	Few significant architectural features, good condition	3	1890
100	Sugarloaf	Few significant architectural features, good condition	3	1910
117	Sugarloaf	Few significant architectural features, good condition	3	1867
1598	Third Concession	Few significant architectural features, fair condition	2 - 3	1870
5262	Third Concession	Few significant architectural features, good condition	3	1877
26	Victoria	Few significant architectural features, fair - good condition	3	1867
50	Victoria	Few significant architectural features, good condition	3	1880
60	Victoria	Few significant architectural features, good condition	3	1910
64	Victoria	Few significant architectural features, good condition	3	1870
90	Victoria	Few significant architectural features, fair condition	3	1880
113	Victoria	Few significant architectural features, fair - good condition	3	1890
77	Welland	Few significant architectural features, good condition	3	1875
203	Welland	Few significant architectural features, poor condition	3	1875
172/174	West	Few significant architectural features, poor-fair condition	3	1910

0-2 Rating

Little to no significant architectural features and/or in poor-fair condition. Could be removed from the list unless found to be historically significant.

Street Number	Street Name	Brief reason for rating	Rating	Year Built
27	Adelaide	No significant architectural features, fair condition	2	1895
87	Adelaide	No significant architectural features, good condition	2	1880
14	Beech	No significant architectural features, good condition	2	1900
206	Bell	No significant architectural features, fair condition	2	1924
45	Canal Bank	Little significant architectural features, poor-fair condition	2	1890
90	Catharine	Little significant architectural features, good condition	2	1880
96	Catharine	Little significant architectural features, good condition	2	1880
140	Catharine	Little significant architectural features, fair-good condition	2	1890
21	Charlotte	Little significant architectural features, good condition	2	1880
128	Davis	Little significant architectural features, fair condition	2	1909
102	Elm	No significant architectural features, fair-good condition	2	1890
114	Elm	Little significant architectural features, good condition	2	1885
262	Elm	No significant architectural features, fair condition	2	1881
795	Elm	Little significant architectural features, good condition	2	1880
803	Elm	Little significant architectural features, good condition	2	1870
173	Erie	Little significant architectural features, fair condition	2	1900
183	Erie	No significant architectural features, good condition	2	1880
247	Fares	No significant architectural features, fair condition	2	1911
257	Fares	Little significant architectural features, fair condition	2	1916
292	Fares	No significant architectural features, good condition	2	1900
62	George	No significant architectural features, good condition	2	1890
3436	Hwy 3	Little significant architectural features, good condition, less than 100 years old	2	1936

48	Kent	No significant architectural features, fair condition	2	1880
60	Kent	Little significant architectural features, good condition	2	1895
327	Killaly St. East	No significant architectural features, fair-good condition	2	1850
104	King	Little significant architectural features, fair-good condition	2	1870
112	King	Little significant architectural features, fair-good condition	2	1870
120/124	King	Little significant architectural features, good condition	2	1860
126	King	No significant architectural features, fair-good condition	2	1870
137	King	No significant architectural features, good condition	2	1888
675	King	No Significant architectural features, good-fair condition	2	1890
698	King	No Significant architectural features, fair condition	2	1885
747	King	No significant architectural features, fair condition	2	1902
771	King	No significant architectural features, fair condition	2	1870
782	King	No significant architectural features, fair condition	2	1860
786	King	No significant architectural features, fair condition	2	1890
37	Main St. West	No significant architectural features, good condition	2	1902
56	Main St. West	No significant architectural features, good condition	2	1912
142	Main St. West	No significant architectural features, good-fair condition	2	1885
237	Main St. West	No significant architectural features, good condition	2	1860
46	Main St. West	No significant architectural features, good condition	2	1880
168	Mellanby	Little significant architectural features, fair condition	2	1900
231	Mellanby	No significant architectural features, good condition	2	1905
181	Mitchell	Little significant architectural features, fair condition	2	1908
210	Mitchell	Little significant architectural features, fair condition	2	1880
234	Mitchell	No significant architectural features, fair condition	2	1880
265	Mitchell	No significant architectural features, fair condition	2	1916

274	Mitchell	No significant architectural features, fair condition	2	1890
337	Mitchell	No significant architectural features, good condition	2	1880
41	Pine	Little significant architectural features, good condition	2	1890
110	St. Arnaud	No significant architectural features, good condition	2	1880
1598	Third Concession	No significant architectural features, fair condition	2	1870
43	Union	Little significant architectural features, fair condition	2	1900
59	Victoria	No significant architectural features, fair condition	2	1880
86	Victoria	No significant architectural features, good condition	2	1880
117	Victoria	Little significant architectural features, poor-fair condition	2	1890
118	Victoria	No significant architectural features, fair-good condition	2	1885
18	Wallace	Little significant architectural features, good condition	2	1890
63	Welland	No significant architectural features, fair condition	2	1903
83	Welland	No significant architectural features, fair condition	2	1875
95	Welland	No significant architectural features, good condition	2	1895
155	Welland	Little significant architectural features, fair condition	2	1890
165	Welland	No significant architectural features, fair condition	2	1890
173	Welland	No significant architectural features, fair condition	2	1890
177	Welland	No significant architectural features, fair condition	2	1875
247	Welland	No significant architectural features, fair condition	2	1900
289	Welland	No significant architectural features, fair condition	2	1875
293	Welland	No significant architectural features, fair condition	2	1880
323	Welland	No significant architectural features, fair condition	2	1890
327	Welland	Little significant architectural features, fair condition	2	1875
331	Welland	No significant architectural features, fair condition	1	1880
50	Charlotte	Addition that negatively altered the architectural features	1	1890

54	Charlotte	Addition that negatively altered the architectural features	1	1896
2/12/14	Charlotte	Less than 100 years old, no significant architectural features	1	1953
346	Davis	Less than 100 years old, no significant architectural features	1	1926
93	Durham	No significant architectural features, poor condition	1	1900
101	Durham	Very poor condition, no architectural features	1	1895
129	Durham	Very poor condition, no architectural features, less than 100 years old	1	1927
159	Durham	Poor condition, no architectural features	1	1910
184	Fares	Less than 100 years old, little significant architectural features, fair condition	1	1929
625	King	Addition that negatively altered the architectural features	1	1876
803	King	Less than 100 years old, poor condition	1	1947
605/607	King	Less than 100 years old, no architectural features	1	1928
209	Mitchell	No significant architectural features, poor condition	1	1880
311	Mitchell	Addition that negatively altered the features of the building	1	1896
663	Pinecrest	Dwelling less than 100 years old, barns and sheds built in the late 1800's	1	1994
43	Welland	No significant features, poor condition	1	1880
49	Welland	No significant features, poor condition	1	1919
185	Welland	No significant features, poor condition	1	1885

0 Rating

Addresses that do not exist or building has been demolished – Remove from list

Street Number	Street Name	Reason for distinction	Rating
21	Adelaide	Moved to 60 Adelaide, keep 60 Adelaide	0
264	Barrick	Address does not exist	0
315	Barrick	Address does not exist	0
5251	Beach Rd	Vacant Lot	0
3986	Brookfield	Address does not exist	0
206	Catharine	Address does not exist	0

254	Catharine	Address does not exist	0
29-33	Charlotte	Now a park	0
56	Charlotte	Address does not exist	0
119	Charlotte	Address does not exist	0
122	Charlotte	Address does not exist	0
473	Davis	Address does not exist	0
133	Durham	Vacant Lot	0
731	Empire	Address does not exist	0
220	Empire	New Built	0
55	Fares	Vacant Lot	0
163	Fares	New build, original torn down, lot address now changed to 37 Mitchell	0
1097	Highway 3	Address does not exist	0
3278	Highway 3	Address does not exist	0
8 – 10	Kent	Address does not exist	0
398	Killaly St. E	Vacant commercial land	0
758	Killaly St. E	Vacant Lot	0
770	Killaly St. E	Address does not exist	0
1379	Killaly St. E	New build, 2021	0
1627	Killaly St. E	Less than 100 years old, built 1976	0
135	Killaly St. W	Address does not exist	0
138	King	Less than 100 years old, built 1989	0
180	King	Vacant Lot	0
521	King	Less than 100 years old, built 1987	0
561	King	Address does not exist, old bowling alley	0
620	King	Less than 100 years old, built 1977	0
664	King	Demolished	0
707	King	Address does not exist	0
720	King	Demolished	0
791	King	Address does not exist	0
773	King	Built 1986	0
708	Lorraine	Vacant Lot	0
854	Lorraine	Address does not exist	0
105	Main St. West	No building on lot – parking lot	0
114	Main St. West	Vacant Lot	0
129	Main St. West	Less than 100 years old, built 1978	0
185	Main St. West	Address does not exist	0
201	Main St. West	Address does not exist	0
256	Main St. West	Address does not exist	0
280	Main St. West	Address does not exist	0
507	Michael	Address does not exist	0
5363	Michener	Address does not exist	0
1836	Miller	Vacant lot	0

3603	Miller	New House, old barn 1840 (barn not inspected)	0
9	Neff St	Address does not exist	0
27	Neff St	Vacant Lot	0
4	Park	Address does not exist	0
666	Pleasant Beach	Address does not exist	0
4250	Sherkston	Address does not exist	0
5065	Sherkston	Address does not exist	0
5306	Sherkston	New house built, original torn down	0
5488	Sherkston	Dwelling less than 100 years old, barn built 1836 – poor condition	0
79	St. Arnaud	Less than 100 years old, built 1998	0
2437	Third Concession Rd	Less than 100 years old, built 1994	0
2207	White	No dwelling on lot, factory (port colborne poultry)	0
2577	White	Demolished, rebuilt 1941	0
89	Welland	Vacant Lot	0
281	Welland	Address does not exist	0
84	West	Less than 100 years old, built 1983	0
262/264	West	Address does not exist	0
46	Westside Rd	Less than 100 years old, built 2005	0
2207	White	No building on lot	0
3247	Yager	Address does not exist	0
3499	Zavitz	Less than 100 years old, built 2017	0



Subject: Municipal Climate Resiliency Grant and Home Flood Protection Program

To: Council

From: Public Works Department

Report Number: 2021-316

Meeting Date: December 13, 2021

Recommendation:

That Public Works Department Report 2021-316 be received;

That Council approve applying for the Municipal Climate Resiliency Grant; and

That the Manager of Water/Wastewater be directed, if funding is received, to enter into an agreement with AET Group Inc. to administer a Home Flood Protection Program for up to 50 homes in Port Colborne.

Purpose:

This report is being written to seek Council's approval to apply for a Municipal Climate Resiliency Grant, and, should funding be received, to enter into an agreement with AET Group Inc. to administer a Home Flood Protection Program for the City's homeowners.

Background:

Intact Financial Corporation, through its Intact Foundation and Intact Public Entities group have launched the Municipal Climate Resiliency Grant to help municipalities adapt to climate change and keep people safe. The focus of the grant is to invest in projects that can increase community resiliency to flood and wildfire risks. The following types of projects are being prioritized:

- **Shovel-ready:** greening and natural infrastructure solutions such as wetland restoration to reduce flood risk or vegetation management techniques to create a community fireguard.

- **Climate mitigation tools:** these could include incentives for homeowners to install sump pumps or fire-retardant roofing.
- **Research readiness and feasibility assessments:** these could include updating flood and/or wildfire-risk mapping or undertaking a flood or wildfire hazard assessment.
- **Awareness and education:** these could include distributing home flood and/or wildfire protection materials or creating an online portal for residents to obtain flood-risk information.

Intact is funding initiatives, up to \$100,000, that are slated to start by October 2022 and will be completed within one year.

Discussion:

In October 2021, City staff and Council members received an email campaign from AET Group Inc. (AET) that promoted a Home Flood Protection Program (HFPP). Staff reached out to AET to learn more about the HFPP, and at that time were made aware that the HFPP qualified as a project under the Municipal Climate Resiliency Grant.

The HFPP was developed in 2016 by the Intact Centre on Climate Adaptation at the University of Waterloo to help homeowners reduce the risk of basement flooding and to minimize damage if flooding did occur. AET partnered with the University from 2017 to 2018 to test and refine the program and completed pilot studies in Toronto, Burlington and Saskatoon. In 2019, the University of Waterloo gave AET a license to continue offering the program. More information about the program is provided in Appendix A.

The information from AET was very timely, considering the basement flooding that occurred throughout the City during the July 17th extreme rainfall event.

Staff are proposing the following projects, which total \$100,000, for the funding application:

- Home Flood Protection Assessment for 50 homes (completed by AET, approximate value of \$500 per home)
- Grant for the assessed homeowners (50) to complete recommended upgrades from the assessment (maximum \$500 per home)
- Grant for the assessed homeowners (50) to install a backwater valve to prevent sewer backups (maximum \$500 per home)
- City-wide grant for 50 additional homeowners to install a backwater valve to prevent sewer backups (maximum \$500 per home)

The intention is that the grants will first be offered to the homes in the area that experienced flooding during the July 17th storm event, and then will be offered to homeowners throughout the City.

If the City's grant application is not successful, these projects will not be offered.

Financial Implications:

These projects would be completed entirely on private property in private homes at no cost to the City, except for some minor administrative tasks (i.e. receiving receipts from residents, verifying the expenses, and issuing a grant cheque).

If the application is successful, the projects would be entirely funded from the \$100,000 received from the Municipal Climate Resiliency Grant.

Strategic Plan Alignment:

The initiative contained within this report supports the following pillar(s) of the strategic plan:

- Service and Simplicity - Quality and Innovative Delivery of Customer Services
 - Governance: Communications, Engagement, and Decision-Making
-

Conclusion:

With climate change, the frequency of extreme rainfall events is likely to increase. The Municipal Climate Resiliency Grant, if received, provides an opportunity for the City to assist homeowners in protecting their basements from flooding during these events.

Appendices:

- A. Flooding in Canada: Why Is It Happening and What Are We Doing About It?

Respectfully submitted,

Darlene Suddard
Manager of Water/Wastewater
905-835-2900 x256
Darlene.Suddard@portcolborne.ca

Report Approval:

All reports reviewed and approved by the Department Director and also the City Treasurer when relevant. Final review and approval by the Chief Administrative Officer.



Flooding in Canada: Why Is It Happening, and What Are We Doing About It?



Source: Bruxelle, (2017); Montreal, Quebec.

Flooding in Canada

Why Is It Happening, and What Are We Doing About It?
July 2021



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INTRODUCTION

A recent article in *The New York Times* crystallized the plight of many communities across North America, and in fact, the globe, in its story of Avon, North Carolina. A beach community established in the early 1900s, its beginnings make today's dire situation unsurprising: A hurricane devastated the area in 1899, causing the state to abandon land development. Speculators later moved in, purchased the properties, and created a tourist destination. Flash forward to today, and hurricanes continue to threaten the area, and the beach is quickly receding, leaving many residents facing the threat of losing their homes and property to the ever-rising Atlantic. Proposed solutions such as dredging the ocean floor to create new sand dunes are costly and temporary. County Manager, Bobby Outten, spelled it out plainly at a recent public meeting, reiterating the same message: "There's nobody coming to the rescue. We have only ourselves" (Flavelle, 2021, para. 4).

This message can't be overlooked. And it doesn't apply only to those residents of beach communities, and tropical locales. A quick scan of local, provincial, and national news articles is enough to realize that flooding is a far-reaching issue, and one that is happening across Canada.



Source: NC Dept. of Transportation, (2012); North Carolina, USA.

Since 2017, AET Group has worked closely with the Intact Centre on Climate Adaptation (ICCA) at the University of Waterloo to implement the Home Flood Protection Program (HFPP) in communities across Canada. This program is, at its core, an education tool for homeowners to learn where their property and structures are vulnerable to flooding, and how to increase their resiliency. The HFPP aims to empower homeowners by providing them with the tools necessary to "rescue themselves" but with the help of compassionate, trained professionals, through the Home Flood Protection Assessment. The HFPP was initially developed by the Intact Centre on Climate Adaptation (Intact Centre) at the University of Waterloo and delivered by AET Group Inc. from 2017 to 2018. In 2019 AET Group Inc. received a license from the University of Waterloo to continue delivering the program across Canada. This is but one of many tools that Canadians need to arm themselves against the rising waters of our rivers, lakes, and oceans, and localized, torrential rainfalls that overwhelm existing infrastructure.

As a country, we can't pretend that flooding isn't a real threat. Between 2015 and 2020 the Canadian Disaster Database (CDD) recorded 10 major floods across eight provinces and territories (Public Safety, 2015), which doesn't include the countless other flood events that don't appear on the list but whose wreckages are covered in local newspapers and on news sites. At the lot-level, a flood doesn't need to be categorized as a national disaster to be devastating. As the threat of flooding becomes more of a reality for Canadians, all levels of government, the insurance



Source: Cold (2017); Montreal, Quebec

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industry, and homeowners must assess their role and responsibility in repairing existing property damage while preventing future destruction.

BACKGROUND – MAJOR FLOOD EVENTS IN CANADA, 2015-2020

Many of the major flood events of the past five years have been due to massive amounts of rainfall in a localized area over a short amount of time. These types of events debunk the long-held belief that flooding is only a threat to those who live on or near waterways.

The table below indicates the rainfall recorded, for six of the 10 major flood events documented by the CDD. As a point of reference, the average rainfall for that month is also included, as calculated by Environment and Natural Resources Canada's Monthly Climate Summaries (NRCan 2015, 2016, 2017).

Major Flood Events & Associated Rainfall Amounts - Selected			
Area	Year	Rainfall Recorded	Average Monthly Rainfall (by province)
Chestermere, AB	July 2015	223 mm in only a few hours	52.3 mm
Peace River Region, BC	June 2016	99 – 135 mm over a 2-day period	60.4 mm
Kenora, BC	June 2016	109 mm over a 2-day period	60.4 mm
Tecumseh, ON	September 2016	190 mm in 24 hours	60.8 mm
Windsor, ON	September 2016	78-106 mm in 24 hours	60.8 mm
Various areas, NB	May 2017	150 mm on top of a 36-hour non-stop downpour	152.9 mm

Receiving more than a month's worth of rainfall in a single day or only a few hours is devastating to aging infrastructure in cities, towns, and counties. These types of floods were usually referred to as 100-year floods, a statistical designation meaning that "a serious flood has a one per cent probability of occurring in any given year" (Dangerfield, 2019, para. 9). This designation is becoming almost meaningless as the frequency of these events increases. Government data, indicates that "108 of the 170 major disasters between 2008 and 2018 were floods" (Bronskill, 2020, para. 3).

Homeowners caught in the path of such floods face devastating consequences, including power outages, forced evacuations, and significant property damage. A 2016 flood in the Peace River region of BC, for instance, left approximately 6,000 people without power. Similarly, a flood in Fort Albany and Kashcewan First Nation territory, ON, in April 2015, required 1,300 people to be evacuated (Public Safety, 2015). The financial and emotional toll these events can take on a community is often devastating as residents attempt to navigate insurance claims and wait to find out if they will receive emergency/disaster relief funding. After a 2017 flood in Quebec some homeowners were left waiting four months or more to find out whether they would receive funding from the province so they could rebuild their homes (Lowrie, 2017).



Source: 51Systems (2013); Calaarv.

WHO'S TO BLAME?

It can't be denied that catastrophic flooding is happening across Canada. But why is it happening? Who's to blame? The obvious culprit is Mother Nature. Without massive amounts of rainfall in short amounts of time, and rising water levels in our rivers, lakes, and oceans, this wouldn't be happening. This view, however, simplifies a complex problem. Most, if not all, experts would likely agree climate change is a contributing factor. But even this explanation is incomplete. Climate change is just one element of a problem that has long existed. Historically, communities were situated along waterways due to their advantage for trade and agriculture. What this means is that not only are these communities in danger of flooding due to rising water levels, but they are also located on flood plains. And in case you breathed a sigh of relief because you don't live on or near a waterway, these are not the only areas identified as flood plains. It's estimated that "80% of Canadian cities are built on flood plains" (Bronskill, 2020, para. 4).

Given the rise of flooding in Canada, one might assume that the practice of developing and building communities on flood plains would be a thing of the past. Unfortunately, attempts to curb this practice have proved largely unsuccessful despite the efforts of conservation groups and federal politicians ("If we Build it, the Waters Will Come", 2017). For example, according to an article printed in the *Montreal Gazette*, it was recently discovered that "between 1940 and 2000, the rate of home construction within areas known to be flood zones within Ste-Marthe-sur-le-lac



Steven_Kriemadis (2019); Windsor, ON

[QC] was twice the rate outside the flood zones." (Bruemmer, 2019, A1). In total, approximately 2,200 homes were built in areas known to be flood risks (Bruemmer, 2019). David Etkin, a scientist with Environment Canada concluded that the area was flooded "not because there was a lot of rain, but because we build communities in flood plains." (Bruemmer, 2019, A1). Further to this, it's estimated that only 6% of residents living in flood zones are aware that they live on one (Perreux, 2017). So why does development in high-risk areas continue to happen? The answer is simple: revenue. Municipalities "allow and encourage development" in these areas to increase their revenue streams (Perreux, 2017, A8). Interestingly, they are often then put in the position of offering incentives to homeowners to help fortify their properties against flooding (Langford, 2016).

Although much of the blame appears to lie with government at all levels, the insurance industry has a part to play. While they do not determine where homes are built, they do determine who is eligible for insurance, and the premiums available. A startling part of this, as mentioned previously, is that many homeowners are not aware of their risk, but insurers are. And, not surprisingly, a home built on a known flood plain isn't good for business. As a result, when flood victims call their insurance companies, many of them are told "We're sorry, but your insurance doesn't cover flood damage" (Thistlethwaite, 2017, A13). A 2017 study co-authored by University of Waterloo

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professor Jason Thistlethwaite estimated that Canadians paid “almost \$600-million out of pocket annually for flood damage, making it the most common and expensive natural hazard” (Thistlethwaite, 2017, A13). Further to this, trends indicate that “water related disasters have begun to overtake fire as the most costly source of claims in the Canadian property and casualty insurance industry – a reversal of the historical norm” (Nelson, 2017, B5). The Insurance Bureau of Canada (IBC) reports that overland flood insurance first became widely available across Canada in 2015 (Chilibeck, 2020). In 2016 there were only four insurers offering overland flood insurance, and by 2018 (the most recent numbers that could be located) there were 16, with this number representing 77% of the market (Meckbach, 2018). Approximately one-third of Canadians have overland flood insurance. However, for those in high-risk areas, options are limited, and few of them are affordable (Forani, 2019).

So, what role do homeowners play in all of this? Some make the point that those who live in high-risk areas (i.e., flood zones) shouldn’t be bailed out by government relief (Paas-Lang, 2019). Others would argue that a vast majority of these residents are (blissfully) unaware of their risk (Perreux, 2017). What about those homeowners who have been flooded multiple times but choose to stay put? Returning to the opening case study in Avon, North Carolina, any assessment of homeowner responsibility must take into account the emotional investment people have in their homes. Some long-time residents in Avon, for example, can’t imagine a life anywhere else. One resident, Audrey Farrow, 74, “lives on the same piece of land she, and her mother before her, grew up on” (Flavelle, 2021, para. 16). Similarly, residents of the Toronto Islands who experienced destructive flooding in 1973 were still around, fighting high waters again, in 2017 (Gzowski, 2017). Ninety-year-old Jimmy Jones speaks protectively of the islands he’s called home his entire life, saying local residents need to “guard the island, so to speak” (Moore, 2020, para. 16), referring to both natural disasters like floods, as well as tourism, both of which can alter the natural landscape (Moore, 2020).

Although it can seem like homeowners are merely bystanders in all of this, at the lot-level they exercise tremendous influence – both good and bad – over the effects of flooding. A simple lack of understanding of proper drainage and maintenance activities accounts for much of the damage homeowners inflict on themselves and their neighbours. Even something as benign as making changes

to your property can decrease yours or your neighbours’ resilience to flooding. A quick internet search will reveal countless articles from landscaping companies and discussion forums talking about lot-level flooding caused by landscape changes. Many communities have passed by-laws to try and curb this type of action. The City of Markham warns residents that “changing the land’s surface, or grade, could interfere with the way water moves off your property. Water that can’t drain off can cause problems for yourself or your neighbour” (City of Markham, 2021, para. 1). Any changes at the lot-level should be carefully considered for their impact on water flow. Seeking the guidance of a qualified professional prior to beginning work can often prevent issues.



Steven_Kriemadis (2019); Toronto Islands, ON

CANADIAN RESPONSES TO FLOODING

Most commentators agree that, overwhelmingly, Canada’s response to flooding has been to throw money at the problem and hope it goes away. As one journalist summarized, the Federal government’s main response has been to “send in the military and help pay bills.” (Perreaux, 2017, A8). According to 2017 numbers, “costs for federal disaster assistance have risen from an annual inflation-adjusted average of \$54-million before 1994 to \$410-million since 2004” (Perreaux, 2017, A8). Increasingly, this response is showing itself to be ineffective. The number of large flood events is ever-increasing and the impact to our communities is devastating, both in terms of the destruction of infrastructure and the emotional toll on affected residents. For their part, the insurance industry has responded by increasing the availability of overland flood insurance, at least in terms of the number of providers offering it (Meckbach, 2018). The availability of coverage to those in high-risk areas who need it most, however, is minimal. According to Craig Stewart at IBC, “there really is not affordable high-risk insurance available for those that are going to be at repeated risk of flooding” (Forani, 2019, para. 4). Further, IBC is recommending that “strategic retreat,” (i.e., relocation), be considered by governments (Forani, 2019). Some residents in these areas have responded by putting their homes on stilts. These and other drastic measures are costly, and for most homeowners emergency aid is their best and only hope to rebuild. Despite this, in recent years some provincial and federal lawmakers have been warning that disaster relief could be drying up for those who rebuild in “flood-vulnerable areas” (Laucius, 2019, A3). From a financial perspective this response is understandable. But what of ethics? As noted previously, municipalities are largely responsible for allowing development in known flood-zones, and as a resident, it is not always easy to find out where these zones are. When purchasing a home, it isn’t a requirement to disclose past flood damage or whether a home lies in a flood zone (Laucius, 2019). Why should it be homeowners who suffer the consequences of these decisions and gaps in information?



Source: Jewelsy (2012); Nova Scotia

Canadian Response to Increased Number of Flood Events – Selected Highlights		
Government	Insurance	Residents/Homeowners
Federal Disaster Assistance ^a <ul style="list-style-type: none"> \$410-million between 2004 and 2017 	Increased number of insurers providing overland flood coverage ^c <ul style="list-style-type: none"> 77% of the market 	Purchase overland flood insurance ^e <ul style="list-style-type: none"> Approximately one-third of Canadians
National Disaster Mitigation Program ^b <ul style="list-style-type: none"> \$184-million pledged to prevent flood damage by funding local projects 	2019 Report to the Federal Government ^d <ul style="list-style-type: none"> Outlined three options for future disaster assistance 	

^aPerreaux 2017, ^bBronskill Jan. 2020, ^cMeckbach 2018, ^dPaas-Lang 2019, ^eForani 2019

WHAT CAN CANADIANS DO TO PROTECT THEMSELVES?

There is something to be said for personal responsibility and taking action to safeguard your home. As county manager Outten reminded residents of Avon, “[W]e have only ourselves.” While this may not be entirely the case for homeowners, as both the government and the insurance industry have shown an interest in working to protect Canadians, bureaucracies take time to reach decisions and funnel those decisions out to the public. So, how can Canadian homeowners protect themselves, their loved ones, and their property?



Source: *diane555 (2018); Chatham, ON*

The below chart details actions homeowners can take to educate and empower themselves against the threat of flood.

Suggested Homeowner Actions		
Action	Contact	Resource
<ul style="list-style-type: none"> • Research overland flood insurance • Determine whether your property is on a flood plain • Improve grading on property • Keep up with seasonal maintenance inside and outside your home • Take advantage of available subsidies, grants, and mitigation programs • Attend public forums – be informed and let decision-makers know your concerns 	<ul style="list-style-type: none"> • Current insurance provider (switch if necessary/able) • Conservation Authority, municipality • Landscape professional, municipal/city codes • Do-it-yourself; contact plumber, landscape professional, etc. as needed • local, provincial, and federal government; insurance provider; other • local, provincial, and federal government; condo boards; other 	<ul style="list-style-type: none"> • Flood Smart Canada • ICCA: Seasonal Flood Protection Maintenance • AET: Home Flood Protection Program

CONCLUSION

How can Canada prepare itself to not just recover from, but be prepared for, the “next big flood”?

For its part, the federal Liberal government has extended the National Mitigation Program (NDMP) until 2022 with the promise of \$25 million dollars available to provinces and territories. The original program saw \$200 million

available over five years, from 2015-2020 (Public Safety Canada, 2021). While it is provinces and territories that are eligible to receive funding, they are encouraged to collaborate with local entities on submitted projects (Public Safety Canada, 2021). The NDMP is available to help with risk assessments, flood mapping and small-scale projects such as replacement of storm culverts (Bronskill, Nov. 2020). Admittedly, the NDMP has not been as successful as many had hoped. According to an internal evaluation conducted in 2020, only half of the funds were



Source: Hilscher (2013); Huntsville, ON

used, largely due to administrative and scheduling delays (Bronskill, Jan. 2020). Still, the funds are available, and programs of this sort are a step in the right direction. Also promising was the creation of a Task Force, announced in 2020, consisting of government representatives and insurance industry experts to consider the possibility of a low-cost national flood insurance program (Bronskill, Nov. 2020). The creation of a steering committee by Indigenous Services Canada in coordination with First Nations representatives is similarly encouraging. The Task Force began meeting in early 2021 and aims to present their recommendations to the Minister of Public Safety in Spring 2022 (Meckbach, 2021).

The Insurance Bureau of Canada (IBC) has also been active. In 2019 they released a paper entitled “Options for Managing the Flood Costs of Canada’s Highest-risk Residential Properties” where they outlined three options for moving forward. The first was a “pure market approach, meaning homeowners would decide whether to self-insure, relocate, or try to get insurance from the private market” (Meckbach, 2021, para. 15). The second involved the private sector taking on much of the liability for flood in low to medium risk properties and leaving high-risk properties to government disaster



Source: ImagineGolf (2020); British Columbia

assistance programs. The third option was a public-private high-risk pool where capital would come from various sources (government, homeowners, property tax, etc.) (Meckbach, 2021). As yet, no decision has been made by the federal government. In addition to the 2019 report, IBC is also co-chairing one of the teams on the Federal Task Force.

Efforts by the federal government and IBC are being complemented by more practical and immediate initiatives launched by research institutions like the University of Waterloo through its affiliate organizations the Intact Centre for Climate Adaptation and Partners for Action, as well as private businesses like AET Group Inc., and local/not-for-profit environmental entities like Conservation Ontario. Organizations such as these (and countless others) are aimed at educating the public and increasing the resilience of Canada's communities. When faced with the fallout of a flood it is easy to share the Avon County Manager's feelings of isolation and despair. However, it is clear, that in Canada many minds are at work looking for ways to educate and protect homeowners from the risks of unforeseen flooding. Because one thing is for certain: extreme weather is not going away, and efforts are required from all of us to deal with this reality.

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APPENDIX A

COMPANY PROFILE

AET GROUP INC.

www.aet98.com

FOUNDED IN

1998

35

EMPLOYEES

Kitchener, Cambridge, Locations

HOME FLOOD PROTECTION PROGRAM CLIENTS

Burlington, Ontario

Rocky View County, Alberta

Toronto, Ontario

Saskatoon, Saskatchewan

Private clients throughout Ontario

Established in 1998, AET is a multi-disciplinary environmental consulting, auditing and scientific services company providing professional services in: Home Flood Protection, Building Sciences, Waste, Air, Compliance, Mitigation, GHG, Sustainability, Audits, Water, Management Systems, and Energy. AET has a staff of 35 professionals and is headquartered in Kitchener, Ontario with an additional office in Cambridge, Ontario.

With over 1,000 projects completed across Canada, United States, South America, Europe and the Caribbean, AET offers extensive experience, capabilities and proven track record that, among other benefits, assures that our clients receive value-added services, credible results and effective solutions. Quality service, solid performance and professional integrity are embodied in all aspects of our work which has allowed us to benefit from a high level of client satisfaction and repeat business of over 90%. As a result of our extensive work experience, technical proficiencies, and diversified capabilities, AET has positioned itself as a highly credible, sought after and leading-edge environmental consulting company.

For over 4 years, AET has worked with municipalities in 3 provinces across Canada completing over 700 Home Flood Protection Assessments for residents with the goal of helping homeowners reduce their risk of basement flooding and reduce damage in the event of a flood.

In roughly 60-90 minutes, our highly trained assessors work with homeowners to complete a 50-point visual assessment of potential sources of water entry into the home. Following the assessment, homeowners receive a confidential report listing practical actions to:

- Reduce risk of damage to structure and contents
- Manage infiltration, sewer backup and overland flood risk
- Wisely manage water onsite
- Manage indoor humidity to reduce mold and mildew risk
- Understand risks as they relate to insurance coverage

For more information on AET's Home Flood Protection Assessments visit www.aet98.com/services/home-flood-protection/

Subject: COVID Update – December 2021

To: Council

From: Chief Administrative Office

Report Number: 2021-318

Meeting Date: December 13, 2021

Recommendation:

That Chief Administrative Office Report 2021-318 be received.

Purpose:

This CAO generated report is provided as a follow up to the COVID-19 pandemic update that was provided to City Council on November 22, 2021.

Background:

The City's Emergency Operations Centre (EOC) was activated in response to the COVID-19 pandemic on March 13, 2020 by bringing together the City's Emergency Control Group (ECG). The COVID-19 pandemic continues to affect the nation and the City continues to prepare, respond, and plan recovery from the impacts of the pandemic to the municipality. As described in a previous staff report, the City's response is based on four principles:

- Maintaining essential City services to the community throughout the emergency;
- Continuing to ensure the safety and security of the public and City staff;
- Ensuring the organization remains financially stable throughout COVID-19; and
- Continuing to remain consistent in the City's actions with the actions of other agencies.

In order to respond appropriately to the impacts of the pandemic and adhere to these principles, the City's response has been divided into three phases:

- First phase – initial response and precautions for users and staff
- Second phase – maintaining essential services
- Third phase – recovery and reopening

Currently, the City is in the third phase, recovery and reopening, as staff continue to execute plans that were developed for reopening the City's programs, services, and facilities.

Discussion:

In the time since the last report to Council, there have been some developments in the City's COVID response as well as in the Province as a whole including the emergence of the Omicron variant and increasing case numbers in Ontario, the availability of vaccines for children aged 5 to 11, a new Letter of Instruction regarding the youth sports exemption, and the mandatory use of QR codes at the arena.

Cases in the Province

Daily COVID case numbers have increased to around 1,000 per day recently. This is an increase over periods in October and November when case numbers were often lower than 500 per day. In addition, a new COVID variant – the Omicron variant – has emerged. The Province is studying this variant to see how severe the symptoms are and how easily it is transmitted.

As Council is aware, the City recently increased public access to the City's administrative buildings and increased the number of employees working in these facilities. The number of daily cases and emergence of variants could impact the City's operations. City management and the ECG will continue to monitor the operating environment and make changes to the City's operating practices.

Youth vaccines

Since the last report to Council, the Federal Government has approved vaccines for children aged 5 to 11. Until this time, vaccines were only available to Canadians aged 12 and over. The City is actively working with Regional Public Health to offer vaccine clinics in Port Colborne to help administer the roll out of vaccine to children in this age group.

QR Code at VHWC

When Ontario introduced its vaccine passport system that required individuals to prove their vaccinated status when attending certain businesses and recreation facilities. This includes the Vale Health & Wellness Centre (VHWC). All users of the VHWC are required to provide proof of vaccination in order to enter the building and use the facility. In the course of administering this requirement, staff have received complaints that some vaccine certificates may have been fabricated to demonstrate that an unvaccinated person is vaccinated.

The use of fabricated vaccine certificates creates a safety concern for staff and facility users and the City is responsible for the safety of these users. In order to address this concern, staff have implemented a requirement for users to provide the Province's enhanced vaccine certificate which includes a QR code and is much more difficult to tamper with. Staff are actively working with facility users to make it easier to provide the enhanced certificate if they do not already have it in their possession.

The QR code requirement has been met with very good cooperation from most users of the facility. A small number of users have become belligerent and abusive toward staff and have been asked to leave the facility.

MOH Letter of Instruction

As mentioned above, a vaccine certificate is required to enter the VHWC. The Province has allowed for a Youth Sports Exemption which allows children aged 12 to 17 to enter without a vaccine certificate in order to participate in sports programs. The Region's Medical Officer of Health (MOH) is concerned about increasing transmission of COVID in facilities like the VHWC and, therefore, has issued a Letter of Instruction which requires additional measures to be instituted in facilities in Niagara, including the VHWC.

The instructions specifically require the following:

- In the absence of a general capacity limit, requiring that capacity in the highest risk areas of the facility are controlled to enable physical distance and reduce the spread of infection (deadline December 10)
- Requiring that all children age 12 and older show proof of vaccination to enter sport and recreational fitness facilities unless they have a valid medical exemption (deadline December 25)
- Requiring a vaccination policy for employees of these facilities (deadline December 25)

City staff have already undertaken action to ensure that the VHWC facility is fully compliant with these Public Health requirements by the required date.

Internal Consultations:

The City's Emergency Control Group continues to meet on a regular basis during the pandemic. From time to time, staff from other departments are present at these meetings to discuss reopening of City programs and amenities including recreation facilities and programming, cultural services, and access to City buildings.

Financial Implications:

While the pandemic has had financial impacts on the City in 2020 and 2021, there are no new financial impacts since the most recent report to Council. City staff project a balanced budget for 2021.

Public Engagement:

The City continues to provide high-quality communication to the community by giving frequent updates of City initiatives and sharing information from other agencies such as the Federal government, the Provincial government, and the Region of Niagara and Niagara Region Public Health.

Strategic Plan Alignment:

The initiative contained within this report supports the following pillar(s) of the strategic plan:

- Service and Simplicity - Quality and Innovative Delivery of Customer Services
 - Value: Financial Management to Achieve Financial Sustainability
 - People: Supporting and Investing in Human Capital
 - Governance: Communications, Engagement, and Decision-Making
-

Conclusion:

The City's Emergency Control Group continues to meet during the pandemic to make operational decisions for the City's programs and services in order to maintain essential operations within the community. Staff will continue to report to Council for the duration of the pandemic.

Respectfully submitted,

Scott Luey
Chief Administrative Officer
905-835-2900 ext. 306
Scott.Luey@portcolborne.ca

Report Approval:

All reports reviewed and approved by the Department Director and also the City Treasurer when relevant. Final review and approval by the Chief Administrative Officer.



RESOLUTION

RESOLUTION NO. 2021 -

MOVED BY:

McLeod

SECONDED BY:

Richard

THAT THE COUNCIL OF THE CITY OF WELLAND receives for information Report TRANS-2021-11 – Update # 2 Niagara Region Transit (NRT) Governance Strategy; and

THAT Welland City Council supports the current levels of Niagara Region Transit service in place and the emergence of on-demand services for smaller municipalities, which do not provide conventional and specialized services; and further

THAT The Triple Majority Vote does not occur until the following updates are forwarded to all municipalities;

a) Update the financial model to reflect Welland, St. Catharines, Niagara Falls and Niagara Inter-Regional Transit operating costs based upon Council approved 2022 Transit Budgets including:

i Assumptions regarding PGT funding (OPTA has forecasted a reduction and Welland has assumed a 25% reduction for 2022 Transit Budget) and ridership levels forecasted to be reduced to 70% pre-COVID.

ii Assumptions regarding Safe Restart Funding.

iii Both items (PGT and SRA Funding) are currently being lobbied by Ontario Public Transit Association (OPTA)

iv Proposed annual lease payments to be made to the City of Niagara Falls for the WEGO Transit Facility

b) Updated 5-year Transit Capital Budgets (2022-2026) for Welland, St. Catharines, Niagara Falls and Niagara Inter-Regional Transit. Transit capital costs and allocation percentages proposed to allocate these costs to lower-tiered Municipalities; and further

c) Updated Capital assets schedules for Welland, St. Catharines, Niagara Falls and Niagara Region summarizing assets including but not limited to revenue fleet, non-revenue vehicles and facilities.

...continued...



RESOLUTION

RESOLUTION NO. 2021 -

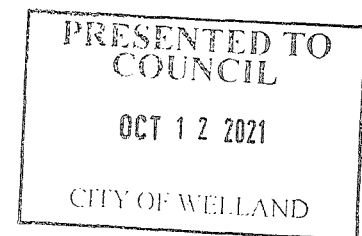
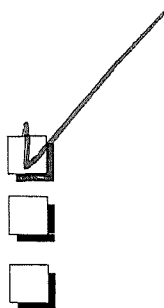
THAT Report TRANS-2021-15 – Second Update on Niagara Region Transit (NRT) Governance Strategy be circulated to all area municipalities.

COUNCILLORS	YEAS	NAYS
LAROCHE		
GREEN		
SPECK		
CHIOCCHIO		
MCLEOD		
DIMARCO		
RICHARD		
GRIMALDI		
MASTROIANNI		
FOKKENS		
MOOTE		
VAN VLIET		
MAYOR CAMPION		

CARRIED

LOST

NOT PUT



November 23, 2021

Tara Stephens
City Clerk
City of Welland
Via email: clerk@welland.ca

Dear Ms. Stephens:

Niagara Region Transit

At their regular meeting of November 15, 2021, Council of the Town of Pelham received your correspondence, and endorsed the following:

BE IT RESOLVED THAT Council receive correspondence from the City of Welland regarding Niagara Region Transit, for information;

AND THAT the Council for the Corporation of the Town of Pelham endorses and supports the resolution from the City of Welland regarding Niagara Region Transit;

AND THAT the Town Clerk is hereby directed to circulate a copy of this resolution to the Niagara Region and all local area municipalities.

On behalf of Council, thank you for your correspondence.

Yours very truly,



Holly Willford, BA
Town Clerk

HW/jm

Cc: Ann Marie Norio, Regional Clerk, Niagara Region ann-marie.norio@niagararegion.ca
Area Clerks (*via email*)

MEMORANDUM

CL-C 86-2021

Subject: Addressing Input from the City of Welland – Transit Governance Consultation

Date: November 25, 2021

To: Regional Council

From: Ron Tripp, P.Eng., Chief Administrative Officer

Over the last 10 years, extensive work has been done to develop a recommended governance strategy for the consolidation of transit in Niagara. A significant portion of this time has been focused on consultation: hearing input from municipalities, interested parties, and most importantly the residents who stand to benefit from an enhanced transit system.

The current transit governance proposal that has been developed and recommended by the CAO Governance Steering Committee (GSC) and unanimously endorsed by the Linking Niagara Transit Committee (LNTC), reflects and balances the multitude of competing interests and input received from all parties.

The initiation of triple-majority approval is about moving the process forward and coming to a clear decision point for Niagara: is Niagara prepared to create a single transit agency for its future? After years of extensive working groups, transit-focused committees, and numerous consultant studies, the message from a clear majority of those consulted is that the time to make a decision on consolidation has arrived.

Input from the City of Welland

The City of Welland has outlined a series of what it believes are ongoing concerns with the proposed transit governance strategy and the decision to move forward with the triple-majority vote at this time; most recently in a report to their Council on October 12, 2021 (See Resolution 21-13 - Appendix 1 and Report TRANS 2021-15 – Appendix 2).

The latest concerns raised by the City of Welland are not new and have been considered and responded to throughout the development of the current transit

governance proposal at multiple forums (i.e. LNTC, Welland City Council, Regional Council, CAO GSC, and via staff correspondence). The City of Welland has been a full participant in the transit governance process to date: its Mayor, a local Welland City Councillor and its CAO sit as members of the LNTC; its CAO sits as a member of the CAO GSC, and its input via multiple Council presentations has been given an equal voice to all other municipalities. Significant prior discussion, including the memorandum included as Appendix 3, have previously addressed many of the issues raised.

The feedback received from Welland was considered in parallel to all input received and incorporated where possible and appropriate. As in all other cases, some feedback was acknowledged but ultimately not included where doing so either contravened the Guiding Principles, disadvantaged other municipalities, did not reflect the consensus of the CAO GSC, or the findings of the Niagara Transit Governance Study (NTGS).

The following is a summary of the outstanding discussion points raised by the City of Welland and how these items were acknowledged, weighed, considered and responded to throughout the current process.

It is important to note that the items below reference only those Welland perceives to be outstanding; it does not include all other input also received from Welland which has already been incorporated into the revised transit governance strategy as part of the consensus work to date and agreed to by other CAOs and/or municipalities as part of the revised transit governance proposal, including:

- a) That an updated 2021 asset register be developed to provide visibility on assets to be transferred. This has been included as Schedule 'A' of the MTA Term Sheet included as Appendix 3 to the companion report PW 55-2021.
- b) that lands upon which sits transit facilities being uploaded are to remain with municipalities;
- c) that payment-in-lieu of taxes be provided to municipalities by the Commission where appropriate; and
- d) that a minimum 7-year service guarantee be put in place

Welland: Net Baseline Operating Costs for Welland Transit

The City of Welland has disputed how its existing baseline transit costs are reflected as part of the financial strategy. The financial strategy identifies that the full cost of

delivering transit in Welland today is approximately \$3.1M, compared with net local levy charges of approximately \$2.5M within Welland's 2020 net transit operating budget.

Niagara Region currently contracts the City of Welland for the delivery of Niagara Regional Transit (NRT) routes on an hourly basis. The guiding principles set in the establishment of the original inter-municipal transit (IMT) proposal in 2011 were that charges be levied to the Region by the cities of St. Catharines, Niagara Falls and Welland on a cost-recovery basis. The premise being, local levies would not pay for Regional service in any way. This was the proposal to the Region at the time of initiation of the pilot NRT service in 2011: that Regional Council operate inter-municipal routes, establish the IMT system, funded exclusively by the Region, operated by the three large operators, on a 100% cost-recovery basis.

In the development of the current governance financial strategy to determine how much each municipality would be uploading to the new Commission, it became apparent that Welland overcharges Niagara Region for its delivery of NRT service by approximately \$600,000 per year. This is done by charging an hourly rate greater than the cost of actual service delivery, as shown in Table 1 below.

Table 1 – NRT Service Delivery Cost Recovery (2020 Operating Rates)

Municipality	Direct Transit OH (% of total operating budget)	Direct Cost / Hr including Transit OH/Admin	+ Indirect Corporate OH	Cost / Hour <u>including</u> Corp OH	Charge invoiced to Region	Total Recovery /Hr <u>over</u> Direct Cost of Service	Total Recovery /Hr <u>over</u> Direct Cost
St. Catharines	9.7%	\$112.20		\$112.20	\$110.00	-\$2.20	-2.0%
Niagara Falls	1.6%	\$98.56	1.2%	\$100.40	\$100.40	\$1.84	1.9%
Welland	13.4%	\$84.91	15.0%	\$97.64	\$105.00	\$20.09	23.7%

This financial review as part of the governance analysis is where Welland continues to assert a "discrepancy" exists.

Following significant staff level discussion among numerous financial professionals, an external auditor/consultant was hired by the City of Welland to address this issue. This auditor working for Welland subsequently confirmed that:

“...the [Welland] City cost would be a city levy of \$2,493,234 and \$598,569 overhead recovery (Profit) for a total of \$3,091,803.”¹

To date this overhead and profit has been used within the Welland budget to offset its own local transit costs.

This means all Niagara residents in other municipalities, through their Regional levy, have been paying for Welland’s local transit costs via the \$600,000 annual profit for delivering NRT service. Based on the initial principle of cost-recovery for service, this is unfair to the other 11 municipalities and will not continue either under a status-quo scenario or the proposed consolidated system. In either case, the City of Welland will need to address the shortfall arising from no longer being able to overcharge the Region within their own local budget.

To be clear, the proposed financial strategy for the current transit governance proposal incorporates and plans for the true cost of service delivery in Welland and that all local services in each municipality are funded by that municipality only. There will be no net new costs to Welland residents upon upload in 2023; only the right-setting of actual local transit costs without corporate overhead profit, with the Region no longer subsidizing this inflated rate.

Welland: Baseline Operating Costs – Selection of 2020 as Base Year for Budget

The City of Welland has requested that the financial model be updated to use 2022 as the baseline budget year – as opposed to the current 2020 baseline supported by the proposal.

The 2020 baseline was selected as it represents the most recent ‘pre-COVID’ estimate of the full costs of delivering transit in Niagara in the future. This baseline was discussed with and agreed to through consensus by the GSC as part of the development of the revised financial strategy throughout the entire Q2 of 2021. It is this model that all municipalities then considered over the summer of 2021.

¹ Fairweather, Steven. Email to Todd Harrison and Heather Talbot. June 18, 2021.

Using an alternative 2022 budget baseline, which includes temporary and unstable impacts arising from COVID-19, was not recommended as it would result in undervaluing the full costs of delivering transit in the future and require the Commission to make significant changes to its budget estimates in the first few years of existence.

No other municipality – staff or Council – has objected to the use of 2020 as the baseline for these reasons.

Welland: Capital Funding and the Use of the Cummings Principle

The Cummings Principle is, at its core, that public assets should transfer at no-cost during municipal amalgamations as the taxpayer has already paid for the asset, so long as the taxpayers will continue to receive the benefit – regardless of what public organization ultimately has ownership. The principle was established through legal decision in 1950, and has governed all subsequent transit amalgamations (among many other asset amalgamations) involving public sector assets in the Province of Ontario.

From its inception as far back as the commencement of the NTGS, the CAO GSC has continually confirmed that the Cummings Principle should be applied in the case of Niagara's transit consolidation. It has formed the basis of the entire financial model and was a recommendation by the NTGS consultants as the singular way to ensure equality and fairness.

Beyond the principle that assets have already been paid for by the taxpayers who will continue to derive benefit from them, the vast majority of all transit assets across Niagara including facilities, garages, fleet, ancillary capital such as hoists, on-board fleet assets (i.e. cameras, modems, radios, fareboxes, automated stop announcements), etc., have been primarily purchased by municipalities using Provincial and/or Federal funding through various transit-exclusive support programs over the last decade.

As a result, very minimal amounts of municipal levy funds have been expended to purchase transit capital in Niagara during this period. Where municipal debt has been issued for the purchase of transit assets, that debt will be transferred to the Commission as identified in Schedule 'B' of the MTA Term Sheet included as Appendix 3 to the companion report PW 55-2021.

Welland: Transitional Commission Board Representation

The structure of Transitional Commission Board was recommended on the basis that each municipality be provided a minimum of one representative; and that extra representation should be considered on the basis of ridership – while balancing the overall size of the Board.

The request from Welland for additional representation was considered by the CAO GSC in parallel to the input received from all twelve municipalities across Niagara regarding their preferred composition of the Board. Other municipalities raised strong opinions with regard the type of Board, its size and composition, equality of representation, and its apportionment of representatives for larger ridership.

Weighing the entirety of the inputs, providing additional representation to Welland was not recommended as doing so would have either disadvantaged other larger municipalities, or required significant expansion of the total size of the board to accommodate and balance the premise of Welland's request. As shown in Table 2, the share of representation between the three largest operators (St. Catharines, Niagara Falls and Welland) accurately reflects their respective share of current ridership.

Table 2 –Transit Ridership and Share of Representation

Municipality	Ridership	Share	Representation	Share
St. Catharines	4,796,246	54%	3	50%
Niagara Falls	3,164,716	35%	2	33%
Welland	989,357	11%	1	17%
Total	8,950,319	100%	6	100%

The external third party review of the transitional Board, required to proceed as part of the MTAs, will revisit and make recommendations regarding the total Board size, and share of representation, in advance of a permanent Board structure being put in place.

Welland: Defer Initiation of Triple-Majority

Welland Council has requested that the initiation of the triple-majority process be delayed until such time as the above noted items are resolved to its satisfaction, suggesting approval initiation in 2023 is a more appropriate timeline.

The consultation process to date has been extensive, extending over multiple years, and Welland has been provided significant opportunities to provide feedback and input – with numerous specific inputs already accommodated within the revised proposal.

It is not reasonable or realistic to expect that, given the number of parties and complexity involved, that all points of feedback provided by an individual party can be addressed. The current transit governance proposal needs to balance input from ***all*** participants and arrive at a consensus and balanced recommendation.

That objective has been achieved and the time to consider moving forward with a consolidated transit system for Niagara is now.

Respectfully submitted and signed by

Ron Tripp, P. Eng
Chief Administrative Officer

Appendices

Appendix 1	Welland City Council Resolution 21-13 – October 12, 2021
Appendix 2	Welland City Council Report TRANS 2021-15 – October 12, 2021
Appendix 3	Memorandum to Welland Council – September 20, 2021 Niagara Transit Governance – Welland City Council – RE: Report TRANS-2021-11



RESOLUTION

RESOLUTION NO. 2021 -

MOVED BY: McLeod

SECONDED BY: Richard

THAT THE COUNCIL OF THE CITY OF WELLAND receives for information Report TRANS-2021-11 – Update # 2 Niagara Region Transit (NRT) Governance Strategy; and

THAT Welland City Council supports the current levels of Niagara Region Transit service in place and the emergence of on-demand services for smaller municipalities, which do not provide conventional and specialized services; and further

THAT The Triple Majority Vote does not occur until the following updates are forwarded to all municipalities;

a) Update the financial model to reflect Welland, St. Catharines, Niagara Falls and Niagara Inter-Regional Transit operating costs based upon Council approved 2022 Transit Budgets including:

- i Assumptions regarding PGT funding (OPTA has forecasted a reduction and Welland has assumed a 25% reduction for 2022 Transit Budget) and ridership levels forecasted to be reduced to 70% pre-COVID.
- ii Assumptions regarding Safe Restart Funding.
- iii Both items (PGT and SRA Funding) are currently being lobbied by Ontario Public Transit Association (OPTA)
- iv Proposed annual lease payments to be made to the City of Niagara Falls for the WEGO Transit Facility

b) Updated 5-year Transit Capital Budgets (2022-2026) for Welland, St. Catharines, Niagara Falls and Niagara Inter-Regional Transit. Transit capital costs and allocation percentages proposed to allocate these costs to lower-tiered Municipalities; and further

c) Updated Capital assets schedules for Welland, St. Catharines, Niagara Falls and Niagara Region summarizing assets including but not limited to revenue fleet, non-revenue vehicles and facilities.

...continued...



RESOLUTION

RESOLUTION NO. 2021 -

THAT Report TRANS-2021-15 – Second Update on Niagara Region Transit (NRT) Governance Strategy be circulated to all area municipalities.

COUNCILLORS	YEAS	NAYS
LAROCHE		
GREEN		
SPECK		
CHIOCCHIO		
MCLEOD		
DIMARCO		
RICHARD		
GRIMALDI		
MASTROIANNI		
FOKKENS		
MOOTE		
VAN VLIET		
MAYOR CAMPION		

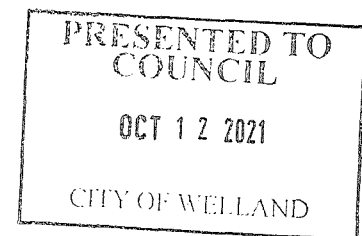
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NOT PUT



SPECIAL COUNCIL
OFFICE OF CAO
TRANSIT DIVISION

APPROVALS	
DIRECTOR	
CFO	
CAO	

21-13

REPORT TRANS-2021-15
OCTOBER 12TH, 2021

SUBJECT: CITY RESPONSE TO NIAGARA REGION STAFF COMMENTS – INTER REGIONAL TRANSIT – ONE TAXPAYER

AUTHOR: STEVEN FAIRWEATHER, CFO

APPROVING G.M.: STEVE ZORBAS, CAO

RECOMMENDATIONS:

THAT THE COUNCIL OF THE CITY OF WELLAND receive for information report TRANS-2021-11 – Update # 2 Niagara Region Transit (NRT) Governance Strategy; and further

THAT Welland City Council support the current levels of Niagara Region Transit service in place and the emergence of on-demand services for smaller municipalities, which do not provide conventional and specialized services; and further

THAT The Triple Majority Vote does not occur until the following updates are forwarded to all municipalities;

- a) Update the financial model to reflect Welland, St. Catharines, Niagara Falls and Niagara Inter-Regional Transit operating costs based upon Council approved 2022 Transit Budgets including:
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- b) Updated 5-year Transit Capital Budgets (2022-2026) for Welland, St. Catharines, Niagara Falls and Niagara Inter-Regional Transit. Transit capital costs and allocation percentages proposed to allocate these costs to lower-tiered Municipalities and further;
- c) Updated Capital assets schedules for Welland, St. Catharines, Niagara Falls and Niagara Region summarizing assets including but not limited to revenue fleet, non-revenue vehicles and facilities

THAT report TRANS-2021-15 – Second Update on Niagara Region Transit (NRT) Governance Strategy be circulated to all area municipalities.

ORIGIN AND BACKGROUND:

On February 21st, 2017, Report CAO-2017-02 – Niagara Transit Service Delivery and Governance Strategy Report, was presented to Welland City Council (Appendix I). Within this report, Council was asked to support a Memorandum of Understanding (MOU), which was approved by the Cities of Welland, St. Catharines, and Niagara Falls, and Niagara Region. This MOU included the Guiding Principles for Welland's involvement of, and support for, inter-municipal transit. These Guiding Principles were drafted by Welland staff to ensure they would continue to influence Welland's perspective and involvement in the future phases of the inter-municipal transit discussion and include:

- Fiscal responsibility and affordability for the City of Welland. Thus, no negative impacts to the City's tax levy and receipt of provincial gas tax is not negatively impacted.
- Ease of implementation for the City of Welland.
- Operational viability for City of Welland.
- Improving economic development opportunities for the City of Welland.
- Local transit services will not be adversely impacted.
- Respecting existing transit collective agreements in each respective municipality.

On October 21st, 2020, a meeting of the Linking Niagara Transit Committee (LNTC) was held to receive the consultant's report on Niagara Region Transit service strategies and possible governance models. Upon completion of the presentation, the Report was supported in principle by the LNTC, knowing that it still had to be vetted by the twelve local municipalities before moving forward to the Niagara Region Public Works Committee, and then Niagara Region Council for final triple majority approval, strategy acceptance, and governance implementation.

On April 13, 2021, TRANS-2021-01 - Update on Niagara Region Transit (NRT) Governance Strategy was presented to Welland City Council to provide commentary on eleven areas of concern, which would not fully align with the City approved Guiding Principles noted above. The other municipalities also responded to the initial Report to the LNTC and from the entirety of these comments, a revised Governance Strategy was presented to, and approved by the LNTC on June 30, 2021. This revised strategy has centered on three prevailing concerns raised by the majority of municipalities, which are the proposed: Financial Strategy, Commission Board Composition, and Service Standards. It is the intent of Regional staff to collect any further comments to this and that of the June 30, 2021, Report.

On September 7th, 2021, TRANS-2021-11 – Update #2 on Niagara Region Transit (NRT) Governance was presented to Welland City Council to, again, outline concerns with the revised governance strategy presented by Niagara Region on the same date; as part of their 'Phase 2' and final roadshow presentation.

COMMENTS AND ANALYSIS:

City staff maintain that it would be prudent to delay a Triple Majority Vote into 2023, unless the following items of concern can be addressed by the Niagara Region prior to proceeding with the Triple Majority Vote:

- a) Update the financial model to reflect Welland, St. Catharines, Niagara Falls and Niagara Inter-Regional Transit operating costs based upon Council approved 2022 Transit Budgets including:
 - i Assumptions regarding PGT funding (OPTA has forecasted a reduction and Welland has assumed a 25% reduction for 2022 Transit Budget) and ridership levels forecasted to be reduced to 70% pre-COVID
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 - iii Both items (PGT and SRA Funding) are currently being lobbied by Ontario Public Transit Association (OPTA)
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- b) Updated 5-year Transit Capital Budgets (2022-2026) for Welland, St. Catharines, Niagara Falls and Niagara Inter-Regional Transit. Transit capital costs and allocation percentages proposed to allocate these costs to lower-tiered Municipalities and further;
- c) Updated Capital assets schedules for Welland, St. Catharines, Niagara Falls and Niagara Region summarizing assets including but not limited to revenue fleet, non-revenue vehicles and facilities

FINANCIAL CONSIDERATION:

There are many aspects of this Governance Strategy that will have significant consequences on Welland's ability to fully control our costs moving forward. Although this revised Financial Model has modified the single levy to a unique levy for each municipality based on 65% of the net costs based on service hours provided, the lack of Welland representation on the Commission could result in many additional hours of service provided in Welland and the costs associated placed on Welland residents.

The Guiding Principles approved by Welland City Council support a strong level of control over our municipal Transit service levels and ensuring the associated amalgamation costs would have no negative impact to Welland taxpayers. Upon review of funding models, City of Welland staff have concerns that the proposed 'new funding model for Niagara Region Transit will have negative impacts on Welland taxpayers' when compared to the current service delivery model in place for Welland Transit services.

In addition, the movement of capital assets via the Cummings Principle requires discussion as aforementioned. Welland's situation is unique in that it is in the process of designing and constructing a new Transit Operations Facility with federal, provincial, and regional support, and further, owns the Main Street Bus Terminal, which continues to be a tremendous asset to the city.

The Region of Niagara provided Asset Registry information for each municipality. This information provides insight into the asset condition of the bus fleet for each municipality. Based on this information it appears that out of the lower tier municipalities Welland Transit has a bus fleet with a net book value per bus greater than the other municipalities. The transfer of fleet assets utilizing the Cummings Principle would not be in the best interest of Welland residents.

Region of Niagara is growing quickly as a result of development. Legislation allows municipalities to collect from developers the capital costs related to growth to sustain service levels. Within Niagara Region not all lower tier municipalities have enacted a development charge for Transit to fund future growth due to development. Municipalities without a development charge for growth related transit services expansion would need to fund the expansion through the tax rate or some

other sources of funding. Welland has enacted and is collecting a development charge to fund future Transit expansion.

New Transit Operations Facility (75 Federal Road)

Welland City Council has approved a \$15 million budget for the expansion and renovation of the current Operations Facility and a detailed design is proceeding. The City received commitment from senior Niagara Region staff that \$1.32 million was to be included in the Niagara Region 2022 Capital Budget in lieu of the 2021 Capital Budget. In addition, this commitment has not yet been provided to date.

With the uploading of Welland Transit to Niagara Region the City will be transferring to the Region all current and future debenture obligations related to transit. The Transit Operations facility capital budget contains a debenture requirement of \$2,680,000 still to be issued.

OTHER DEPARTMENT IMPLICATIONS:

The transition of Welland Transit from a municipal entity to a component of Niagara Region Transit should relieve the municipality of a number of requirements and responsibilities. If amalgamation occurs, the City will not be required to support Transit for many tasks, including: Finance and Legal oversight, Human Resources guidance, Payroll support, and matters pertaining to Engineering & Planning.

Conversely, the City would not have the same autonomy to utilize the fleet for municipal events, support Council initiatives, and generally be in full alignment with the developments and enhancements being realized within our dynamic community.

SUMMARY AND CONCLUSION:

Levels of Transit service and representation on the Commission board remain concerns with this latest Governance Strategy model. Although efforts have been made to alter the Commission structure and representation, Welland remains disadvantaged with a single vote, which does not capture the investment Welland has committed to our residents for almost five decades and the dynamic growth of the city.

The transition of personnel and financial resources from the lower tier to Regional government requires greater consideration and the current unsettled climate does not provide a sound baseline platform. The merging of collective agreements will also pose significant challenges and these issues have not been substantively addressed.

The City of Welland is committed to fully supporting the enhancement of public transit services throughout the Niagara Region. Out of an abundance of caution for those who have been hit hard by this pandemic, staff are of the opinion there needs to be further work performed on the ridership modelling, commensurate service levels, and capital investments, which should be undertaken prior to a 2023 implementation date.

It shall be noted, this report does not initiate the triple-majority approval process. It is anticipated that the triple-majority vote will occur after the consultation on this report has been completed and requested responses be incorporated.

ATTACHMENTS:

- Appendix I: TRANS-2021-11 UPDATE #2: ON NIAGARA REGION TRANSIT (NRT) GOVERNANCE STRATEGY
- Appendix II: LNTC-C 5-2021 Niagara Transit Governance – Phase 2 Consultation Results and Triple Majority Initiation
- Appendix III: Proposed Allocation of Future Transit Costs
- Appendix IV: Power Point Presentation

PROPOSED ALLOCATION OF FUTURE TRANSIT COSTS

Municipality	2021 Combined Levy	% of Combined Levy	2021 Approved General Levy	% of General Levy	2021 Waste Management Levy	% of Waste Management Levy
Fort Erie	28,263,792	6.34%	25,180,908	6.21%	3,082,884	7.60%
Grimsby	33,142,668	7.43%	30,911,178	7.63%	2,231,490	5.50%
Lincoln	26,311,473	5.90%	24,457,388	6.03%	1,854,085	4.57%
Niagara Falls	93,404,838	20.95%	85,452,258	21.08%	7,952,580	19.60%
NOTL	36,849,738	8.26%	35,091,268	8.66%	1,758,470	4.33%
Pelham	18,556,471	4.16%	17,149,157	4.23%	1,407,314	3.47%
Port Colborne	15,050,476	3.38%	13,008,738	3.21%	2,041,738	5.03%
St. Catharines	117,051,816	26.25%	104,739,824	25.84%	12,311,992	30.35%
Thorold	18,486,792	4.15%	16,750,794	4.13%	1,735,998	4.28%
Wainfleet	6,751,596	1.51%	6,126,102	1.51%	625,494	1.54%
Welland	38,120,686	8.55%	33,587,266	8.29%	4,533,420	11.18%
West Lincoln	13,877,174	3.11%	12,845,724	3.17%	1,031,450	2.54%
TOTALS	445,867,520	100.00%	405,300,605	100.00%	40,566,915	100.00%

12 Special Levy Option (existing capital only)				
	% of Service Hours 2020	2025		
		Yr1	Yr2	Yr3
St. Catharines	44%	0.9	1.8	2.7
Niagara Falls	30%	0.6	1.3	1.9
Welland	11%	0.2	0.5	0.8
NOTL	2%	0.0	0.1	0.2
Port Colborne	2%	0.0	0.1	0.1
Pelham	1%	0.0	0.1	0.1
Thorold	3%	0.1	0.1	0.2
Fort Erie	5%	0.1	0.2	0.3
Grimsby	1%	0.0	0.1	0.1
Lincoln	1%	0.0	0.1	0.1
West Lincoln	0%	0.0	0.0	0.0
Wainfleet	0%	0.0	0.0	0.0
Total	100%	2.2	4.3	6.5
Conventional	85%	1.8	3.6	5.4
Alternative	15%	0.3	0.7	1.1

Inter-Regional Transit Considerations - One Tax Payer

Steve Zorbas - CAO



Guiding Principals for Inter-Municipal Transit

As per Council approved Report CAO-2017-02, the following guiding principals are to be adhered to prior to and during implementation of regional transit:

- ▶ Fiscal responsibility and affordability for the City of Welland. Thus, no negative impacts to the City's tax levy and receipt of provincial gas tax is not negatively impacted.
- ▶ Ease of implementation for the City of Welland.
- ▶ Operational viability for City of Welland.
- ▶ Improving economic development opportunities for the City of Welland.
- ▶ Local transit services will not be adversely impacted.
- ▶ Respecting existing transit collective agreements in each respective municipality

Asset Registry per Municipality (DRAFT)

Asset Category	Vehicle Count (Conventional & Specialized)	Acquisition Price	Accumulated Amortization	Net Book Value 12/31/2018	Usefull Life	Net Book Value Estimate 12/31/2020
Niagara Region						
Bus	30	\$19,311,980		\$13,292,539	10	\$10,073,876
St. Catharines						
Bus	85	\$41,464,685		\$16,379,430	12	\$9,468,649
Service Trucks	17	\$2,282,010	\$396,484	\$84,894	6	\$4,664
Land		\$1,182,244	\$682,863	\$142,156	16	\$0
Facilities		\$12,121,576	\$3,521,363	\$8,579,472	22	\$7,493,104
Equipment		\$1,354,904	\$959,405	\$395,499	13	\$231,107
Technology		\$7,324,060	\$3,496,459	\$3,827,601	7	\$2,097,933
Sub-Total		\$65,729,478	\$9,056,573	\$29,409,051		\$19,295,458
Niagara Falls						
Bus	41	\$18,543,814		\$7,161,493	12	\$4,070,857
Service Trucks	15	\$1,121,353	\$788,304	\$333,049	6	\$146,157
Land		\$348,139	\$158,387	\$189,752	32	\$167,993
Facilities		\$1,592,228	\$576,276	\$1,015,952	24	\$883,266
Equipment		\$2,235,936	\$727,890	\$1,508,046	13	\$1,164,810
Technology		\$5,424,938	\$2,859,110	\$2,557,451	7	\$1,081,970
Sub-Total		\$29,266,407	\$5,109,967	\$12,765,742		\$7,515,053
Welland						
Bus	21	\$8,535,000		\$5,338,571	12	\$3,916,071
Service Trucks	6	\$180,000	\$124,000	\$56,000	6	\$26,000
Land		\$2	\$2	\$2	0	\$0
Facilities		\$4,408,218	\$2,165,631	\$2,242,587	21	\$1,828,570
Equipment		\$697,590	\$413,220	\$284,370	6	\$64,657
Technology		\$1,116,545	\$269,798	\$846,746	7	\$629,292
Sub-Total		\$14,937,355	\$2,972,651	\$8,768,277		\$6,464,590

Allocation Methodologies for Transit

12 Special Levy Option (existing capital only)

	% of Service Hours 2020	2025		
		Yr1	Yr2	Yr3
St. Catharines	44%	0.9	1.8	2.7
Niagara Falls	30%	0.6	1.3	1.9
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West Lincoln	0%	0.0	0.0	0.0
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TOTALS	445,867,520	100.00%	405,300,605	100.00%	40,566,915	100.00%

MEMORANDUM

Subject: Niagara Transit Governance – Welland City Council – RE: Report TRANS-2021-11

Date: September 20, 2021

To: Tara Stephens, City Clerk, City of Welland

From: Matt Robinson, Director | GO Implementation Office, Niagara Region

At its meeting of September 7, 2021, Welland City Council continued the discussion regarding the future of transit in Niagara, the proposed move to a single, consolidated transit agency, and the revised financial, governance, and service strategies developed in response to municipal feedback.

This discussion included a delegation from the Regional project team on behalf of the Governance Steering Committee (GSC), as well as considering and adopting the recommendations of the related report from the Transit Manager (TRANS-2021-11).

The purpose of this memo is to provide additional information for Council and to address concerns identified in this report. Throughout this process, the GSC has been committed to addressing the concerns raised by all municipalities, providing additional information and where possible, making the necessary revisions and updates to the proposed models in response.

Financial Strategy

1) Impact of future Inter-Regional transit Capital Budget to Welland Taxpayers

The total combined annual capital replacement requirement by 2023 (with existing assets) for the consolidated Commission model is estimated at \$12.8M and the combined annual Provincial Gas Tax (PGT) is \$6.8M; \$1.5M of which is currently being utilized by various municipalities for operating budget offsets. The new capital reserve strategy recommends that the \$1.5M currently used in operating be phased out over 5 years with an additional annual transfer to reserve of \$6.5M being phased in over 3 years. Welland's estimated annual capital replacement requirement for fleet and facilities is \$1.4M. The financial funding strategy associated with capital is the same as operating, and allocates costs based on proportion of service hours. In 2025, with the proposed service standardization, Welland's proportion of service hours would increase

from 11.1% to 12.4%, resulting in 12.4% of the \$6.5M for capital (\$0.8M) being allocated to Welland residents on the Regional levy.

*2) Assumption regarding transit operating costs in a post COVID-19 environment.
[Current ridership for Welland Transit is approximately 28% of pre-COVID levels]*

Ridership in Welland is heavily dependent on Niagara College students and therefore the temporary stoppage of in-class participation has resulted in a drastic decrease in Welland transit demand. As of September 2021, Niagara College and Brock University have now moved to a blend of in-class and online curriculum which should start to increase demand for transit within Welland and across the region. As students move back to fully in-class participation, demand for transit should start to return to pre-COVID levels. If the post-COVID environment does not result in ridership demand equivalent to pre-COVID demand, the new Commission would look to alternative service delivery models, such as on-demand, to ensure that demand is met with the most cost-effective service delivery model.

3) Impact on Provincial Gas Tax funding and continued commitment from other levels of government on sustainable new sources of funding for transit

The proposed financial strategy includes the use of PGT for consolidated capital replacement and removes the existing \$1.5M collectively used from operating over five years. Future forecasted PGT growth in the new Commission is conservative given the reductions in fuel sales during the pandemic. The Region and all municipal transit partners continue to work with MTO on funding options for governance transition costs, ongoing capital requirements and fiscal sustainability. New, sustainable federal transit funding programs will be leveraged wherever possible to reduce the financial pressures on resident taxpayers within Welland and Niagara.

4) The proposed revised transit levy allocation for future Inter-Regional transit operating costs represents a higher tax dollar to Welland taxpayers for delivery of transit services

The proposed increase to Welland residents on their Regional Tax Levy at the time of transit consolidation is a reflection of the additional corporate overhead/profit that Welland currently charges the Region to deliver its NRT service. As a result, under the existing transit model in Welland, by charging the Region at the rate Welland Transit does, which includes a corporate overhead charge of 15%, the resulting impact under the current assessment-based financial model means residents in all other Niagara municipalities pay an extra \$600,000 annually for Regional transit services provided by Welland. Comparatively, St. Catharines and Niagara Falls charge overhead on a cost-

recovery basis only. This allows Welland to in turn use that \$600,000 overhead/profit to offset their local Welland Transit costs, reducing their own local levy.

Under the new proposed financial model, a consolidated Commission would ensure that residents within a municipality pay only for the services that they receive locally. With the new Commission delivering all transit services, Welland would no longer realize that corporate overhead/profit margin. Under the new model, the actual net costs to deliver transit within Welland would be charged to residents. Therefore without Welland's overhead/profit offset, the cost to deliver the same level of service remains the same however now it is all being borne by Welland residents through the special levy rather than the other residents of Niagara through the Regional levy.

5) Application of the Cummings Principle

As part of the Niagara Transit Governance Study (NTGS), a peer jurisdictional review was undertaken by Optimus SBR and found that since the Cummings Principle was established through legal decision in 1950, all subsequent transit amalgamations involving public sector assets in the Province of Ontario have been implemented using the Cummings Principle. This principle at its core dictates that public sector (tax levy) purchased assets by one level of government, when uploaded or downloaded and continued in their same initiated service, those assets are not subsequently paid for a second time by the tax levy when in continued use to deliver the same public service. The principle being that by maintaining public sector governance, those assets would retain and continue the existing service life of the asset; the new public sector governance (in this case the new Commission) would ensure the same level of taxpayer protections and stewardship of the assets until their end of useful life.

Moreover, the vast majority of all transit assets across Niagara including facilities, garages, fleet, ancillary capital such as hoists, on-board fleet assets (i.e. cameras, modems, radios, fareboxes, automated stop announcements), etc., have been purchased with Provincial and/or Federal funding through various transit-exclusive support programs over the last decade. As a result, very minimal amounts of municipal levy funds have been expended to purchase transit capital in Niagara during this period. This in no way negates the actual value of the assets, it merely indicates that municipal contributions (local tax dollars) have been relatively minimal relative in realizing that asset value.

Under the proposed consolidated model, all existing transit capital debt will be assumed by the Commission at the time of consolidation. That means any outstanding municipal debt servicing any of those assets would be assumed by the new Commission. Currently, Welland has \$1.5M in debt with annual payments of \$168,000 (based on treasurer's template each municipality filled out and reported to the Region). Historical

municipal capital contributions are reported through CUTA and reflect a Welland total of \$60,000 between 2014 and 2018.

6) Land transfer for transit garage/facilities

Under the proposed terms of the Municipal Transfer Agreements (MTAs) being proposed by the Governance Steering Committee (GSC) for those municipalities with transit capital assets to be transferred to the new Commission, under the current proposal, the land associated with any transit facility purposed to be included with the consolidation and uploaded to the new Commission would be excluded from the transfer. The transit facilities themselves would be transferred, but the land would not. Subsequently, there would likely then be a Payment in Lieu (PIL) of taxes by the new Commission to the respective municipality. This will be addressed in the final MTAs between the Region and those affected municipalities with applicable transit assets.

Commission Board Composition

The proposed composition of the Commission Board was recommended on the basis of two principles:

- that each municipality be provided a minimum of one representative; and
- that extra representation should be considered for the largest three municipalities (St. Catharines, Niagara Falls, and Welland) on the basis of ridership, while balancing the overall size of the Board.

The proposal of three representatives to St. Catharines, two to Niagara Falls, and one to Welland was reflective of the share of ridership between these three large municipalities, as shown in Table 1 below.

Table 1 –Transit Ridership and Share of Representation

Municipality	Ridership	Share	Representation	Share
St. Catharines	4,796,246	54%	3	50%
Niagara Falls	3,164,716	35%	2	33%
Welland	989,357	11%	1	17%
Total	8,950,319	100%	6	100%

Report TRANS-2021-11 identifies that the result of this process is that Welland is provided similar representation to smaller municipalities with limited transit ridership.

This feedback has been considered by the GSC in parallel to the input received from all twelve municipalities across Niagara regarding their preferred composition of the Board.

The GSC has recommended that the current fifteen-member transitional board model be maintained, reflecting concerns from other municipalities regarding the already relatively large total size of the board, the impact on other municipalities' share of representation resulting from further changes, and in keeping with the existing ridership methodology used to determine that compliment.

The external third party review of the transitional Board will revisit and make recommendations regarding the total Board size, and share of representation, in advance of a permanent Board structure being put in place.

Consideration of Delay to 2023

Welland Council has requested to defer to 2023 the triple-majority approval to move into a consolidated transit system on the basis of the concerns outlined within report TRANS-2021-11.

This request will be joined with the feedback and input received from all twelve municipalities across Niagara as part of the second round of municipal consultation and considered by the GSC when making a recommendation on the timing for the initiation of the triple-majority vote. The Linking Niagara Transit Committee has previously identified initiating the triple-majority process within 2021 as a priority, in keeping with the 2017 triple majority direction to pursue a governance solution for a consolidated Niagara transit system.

The purpose of this memorandum is to respond to the recent concerns raised by Welland Council, in anticipation of facilitating its future consideration of a triple-majority vote.

Respectfully submitted and signed by,



Matt Robinson
Director, GO Implementation Office
Niagara Region

MEMORANDUM

Subject: JAAC Letter to Councils re: NRT OnDemand App Accessibility

Date: December 2, 2021

To: Area CAOs

From: Matt Robinson, Director – GO Implementation Office

This memo is intended to provide additional information in response to a letter to your Councils from the Chair of the Joint Accessibility Advisory Committee, Stephen Barker, dated in and around November 19, 2021 related to the accessibility compliance of the NRT OnDemand app.

Niagara Region takes the needs of individuals living with disabilities seriously, and is committed to ensuring that all of our content meets the standards laid out in the Accessibility for Ontarians with Disabilities Act (AODA). The service provider responsible for the delivery of NRT OnDemand, Via Mobility, is required by contract to adhere to all laws and regulations when delivering the Region's NRT OnDemand service, including the AODA.

During the development of NRT OnDemand and the supporting mobile app, Regional transit staff consulted with Niagara Region's Accessibility Advisory Committee – a Regional advisory committee composed of members of the public living with disabilities, their caregivers, community and professional stakeholders, and a Regional councillor.

While the JAAC was not among those initially consulted, subsequent discussion was had with the JAAC via a presentation. The NRT team remains open to continued discussion with these and any other local municipal advisory committees when requested.

The Chair of the JAAC did reach out to transit staff outlining his concerns, which were relayed to the NRT OnDemand service provider. Staff directed a full review of the NRT OnDemand app be conducted, with the help of Ontario accessibility verification specialists. That review uncovered a number of items that prevented the Region from attaining full WCAG 2.0AA compliance. The service provider has subsequently taken action to address those issues, and confirm the current version of the NRT OnDemand app now meets Ontario's AODA WCAG 2.0 AA requirements and is well on its way to exceed those requirements and to achieve WCAG 2.1 AA compliance.

From the inception of the NRT OnDemand app, the alternative option to phone in requests for those who did not have smartphones or credit cards has existed. Payments

and trip requests using the customer care phone line has seen significant uptake and remains a commitment for those who need it to make full use of the transit service.

We regret the difficulties these issues have caused for individuals in our community living with disabilities, and are committed to improving service for these individuals. NRT staff can commit that, along with the service provider's Community Engagement team, we welcome additional dialogue and review with the JAAC and the Region's AAC to hear their concerns directly, and aspire to be better than simply the WCAG 2.0 AA compliance, as well as to better understand how we can incorporate that feedback into our NRT OnDemand product and ensure that people of all abilities can use the app.

It is important to make a distinction between the current NRT OnDemand service, which is a Regional service currently in operation, and the proposed Niagara-wide consolidated transit proposal, which is still in development. The approval of the new Commission must still be approved by Niagara's local municipalities. Should the establishment of the new Commission proceed, there are two seats on the 20-person Transit Advisory Committee dedicated to representatives specifically from Niagara's accessibility advocates. It is here where the JAAC could be able to provide transit-specific insights to the new Commission on a go-forward basis, should they be selected by Regional Council to represent one of the two Accessibility sector seats.

Respectfully submitted and signed by,



Matt Robinson
Director | GO Implementation Office

C: Niagara Region Accessibility Advisory Committee

Administration

Office of the Regional Clerk

1815 Sir Isaac Brock Way, PO Box 1042, Thorold, ON L2V 4T7

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www.niagararegion.ca

October 27, 2021

CL 20-2021, October 21, 2021

CSC 10-2021, October 13, 2021

CSD 58-2021, October 13, 2021

LOCAL AREA MUNICIPALITIES

SENT ELECTRONICALLY

Additional Information Re: Optional Small Business Tax Subclass

CSD 58-2021

Regional Council, at its meeting held on October 21, 2021, passed the following recommendations of its Corporate Services Committee:

That Report CSD 58-2021, dated October 13, 2021, respecting Additional Information Re: Optional Small Business Tax Subclass, **BE RECEIVED** and **BE CIRCULATED** to Local Area Municipalities.

A copy of CSD 58-2021 is enclosed for your reference.

Yours truly,



Ann-Marie Norio

Regional Clerk

:kl

CLK-C 2021-164

cc: R. Fleming, Senior Tax & Revenue Analyst
T. Harrison, Commissioner, Corporate Services/Treasurer
K. Beach, Executive Assistant to the Commissioner, Corporate Services/Treasurer

Subject: Additional Information Re: Optional Small Business Tax Subclass

Report to: Corporate Services Committee

Report date: Wednesday, October 13, 2021

Recommendations

1. That Report CSD 58-2021 respecting the Optional Small Business Tax Subclass **BE RECEIVED** as information; and
2. That a copy of Report CSD 58-2021 **BE CIRCULATED** to the Local Area Municipalities.

Key Facts

- The purpose of this report is to provide Committee with an update on the Optional Small Business Tax Subclass that the Province introduced as part of their 2020 Budget and to recommend that the Region not implement the new subclass.
- In February 2021, staff presented Committee with Report CSD 12-2021 – Optional Small Business Tax Subclass Overview which contained the following recommendation:
 - That staff **BE DIRECTED** to monitor the implementation of the Optional Small Business Tax Subclass for consideration in future taxation years starting in 2022.
- In addition to the February report, at the April 2021 Corporate Services Committee, direction for staff was provided as follows:
 - Consider implementation of a small business tax class.
- In May 2021, the Province released the Regulations for the subclass which provide greater insight into program specifics including the subclass reduction range, administrative requirements as well as implementation considerations.
- Region staff have participated in discussions with Area Treasurers, other municipal organizations and the Municipal Property Assessment Corporation (MPAC) and solicited input through a survey from the Area Treasurers during August 2021, after the release of the Regulations for additional input. Based on the responses from the survey, there was limited desire to pursue the subclass at this time noting many of the challenges that were originally identified in Report CSD 12-2021.

- Based on the challenges that are present and a lack of a clear policy objective for implementation, staff are not recommending that the optional small business subclass be adopted for the Region.

Financial Considerations

Similar to other tax policy decisions, implementation of the small business subclass would not impact the tax revenue generated by the Region, it would however, impact the tax burden experienced by other tax classes most notably Residential which represents 80% of the unweighted assessment base for the Region. Inter-municipal shifts on a Regional basis would also occur as a result of variations in the tax bases across Area Municipalities. These tax shifts may be further exaggerated if different eligibility criteria were to be established for different municipalities across the Region.

If it were Council's direction to implement the subclass, there would be additional administrative costs incurred by the Region or Area Municipalities as required to implement and maintain the subclass depending on any program framework that would need to be established. Expenditures associated with this remain unknown and would likely vary depending on the program administration requirements including Local or Regional administrator, variations in program criteria and level of support from the community which may impact appeals. At a minimum, if the program were to be adopted, the Region would incur estimated one-time implementation expenditures of \$15,000 for consulting and program development. Depending on Region responsibility for administration of the program, an additional annual expenditure of approximately \$100,000 for staffing and administrative resources may be incurred if the subclass administration resides with the Region. Should the Region adopt policy objectives that are different for each Area Municipality, it may be more advantageous for the Area Municipalities to administer independently which may require additional resources at the local level.

Analysis

As announced in the 2020 Ontario Budget, the Province has provided municipalities with the ability to implement an optional small business subclass. In February 2021, staff prepared Report CSD 12-2021 which provided an overview of the subclass to Council and identified some of the opportunities and challenges that may exist with the new subclass.

Subsequent to that report, in May 2021, the Province released amendments to O. Reg. 282/98 under the Assessment Act and O. Reg. 73/03 under the Municipal Act, 2001, which implemented the subclass and provided further details, including requirements for municipal by-laws, administration of the subclass and potential for provincial matching through education property tax reductions. Staff also attended a webinar hosted by the Toronto Region Board of Trade and have engaged the Area Treasurers for input via a survey, all of which has been summarized below for Council's information.

Overview of Ontario Regulations

As identified in the regulations, municipalities that choose to implement the subclass must consider and enact the following:

- The decision to adopt the subclass by Regional Council including the passing of a Regional by-law.
- Identify if the business subclass tax reduction is to be applied to the commercial and/or industrial property tax classes.
- The reduction percentage; which can range from 0- 35% of the municipal tax rate for the property class.
- Requirements that a property must meet to be included in the subclass.
- Appointing Program Administrator(s) to administer the program, including approving properties for inclusion in the subclass, notifying property owners of decisions and reviewing requests for reconsideration related to a property's eligibility for inclusion in the subclass.
- Appointment of Appellate Authority (or Appellate Authorities) to hear any appeals of the Program Administrator's eligibility decisions.

Through the Regulations it has also been noted that municipalities will have the ability to require landlords to pass the tax reduction to tenants as a condition of eligibility. While this remains an option, staff feel that the enforcement of this would be challenging as it may require staff to engage tenants and landlords which is not typical in the taxation process. One Ontario municipality is considering publishing the addresses of landlords in receipt of the tax reduction in order to place an onus on tenants to pursue the flow through of the tax reduction.

The Province has also noted that there is a requirement to demonstrate how the municipality has engaged the business community before implementing the class which would result in increased lead time for implementation. This process is also not anticipated to provide definitive eligibility guidelines as there is likely much disparity

across the Region in terms of what may be considered a small business. A small business definition would need to be developed that achieves a policy objective for which staff would need to engage appropriate stakeholders to ensure the policy objective is achieved through the chosen definition.

As noted above, municipalities are responsible for establishing detailed eligibility criteria for the optional small business subclass. This would require the Area Municipality or Region to develop and administer a process to identify or approve eligible properties for inclusion in this subclass. Through the appointment of a Program Administrator, Area Municipal or Regional staff would identify qualifying properties classified in the commercial and/or industrial property classes that meet the eligibility criteria. This could be done either through an application-based process or through a criteria-based methodology. Properties approved for inclusion in the subclass by the Program Administrator must be listed in a publicly accessible registry (details of the registry requirements are found in the Municipal Checklist attached as Appendix 1 to Report CSD 58-2021). The Program Administrator would also be required to establish a process where an owner may make a request for reconsideration.

Municipalities that adopt the subclass are also required to appoint a staff member to act as an Area Municipal or Regional Appellate Authority to hear appeals regarding whether or not a property should be included in the subclass. Appeals of assessed value would continue to be directed to the Assessment Review Board.

Based on the additional information that has been included in the Regulations, staff note that many of the challenges that were expressed through Report CSD 12-2021 are still present, including:

- Determining subclass eligibility across Area Municipalities while considering variations in the local priorities, policy objectives and property characteristics.
- Challenge of ensuring tax benefits are passed on to tenants despite the ability for municipalities to make it mandatory through a by-law.
- Inconsistency in eligibility criteria across Area Municipalities for businesses with multiple locations in the Region.
- Tax shifts onto other properties not included in the subclass and the financial implications, business impacts and ability to pay of other residential, commercial and industrial properties not afforded the discount.

At the time of writing this report, MPAC has also released a draft white paper on the subclass outlining MPAC's potential involvement or assistance with implementation and

maintenance of the subclass. In the draft white paper, MPAC also noted some of the challenges previously described as well as other implementation considerations that would need to be explored. A section of MPAC's draft paper has been included as Appendix 2 to Report CSD 58-2021. In the section, MPAC has noted some of the policy objectives that this subclass may assist with achieving including:

- Nurture local small business development in one or more sectors of the economy.
- Support Downtown and Main Streets.
- Nurture the development of Innovation Districts, Creativity Zones or Business Parks.
- Support Business Improvement Areas (BIAs).
- Mitigate the impact of shifts in property values between districts for small businesses.
- Mitigate the impact of widespread revenues losses due to circumstances beyond businesses' control.

Overview of Toronto Region Board of Trade Webinar

On August 11, 2021, Regional finance staff participated in a small business subclass webinar hosted by the Toronto Region Board of Trade. In attendance at this meeting were finance and economic development representatives from most Ontario Regions as well as the City of Toronto. The webinar was also attended by Municipal Finance Officer Association (MFOA), Association of Municipalities of Ontario (AMO), and business sector representatives.

Much of the comments that staff heard from their municipal finance counterparts aligned with the commentary provided by Regional staff and Area Treasurers and focussed heavily on the increased administrative burden that the subclass would have on their operations especially given the perceived limited benefits that the subclass would generate. Similar comments were also heard from MFOA and AMO representatives. The economic development staff that were in attendance also expressed lack of clarity around the intent of the program and long-term goals especially since the subclass is not intended to be a COVID-19 relief program but a long-term policy decision. Many economic development staff also noted that there may be other opportunities to assist small businesses in ways that are not through tax policy tools including grants or other non-financial assistance (for example, local business registries). The business sector representatives also expressed that their association did not believe it was fair for businesses that would not qualify for the subclass to subsidize the reduction for

businesses that do qualify. They also noted that inequalities in subclass eligibility may also result in businesses in direct competition with each other being treated differently for property taxation purposes despite being relatively similar in operations.

Through the discussion held at the webinar, only one municipality that was in attendance has initiated the implementation of the subclass, being the City of Toronto. Staff note though that at the time of writing this report, no final decision has been made by the City on implementation. Staff also note that through discussion at a prior Ontario Regional and Single-Tier Treasurers meeting, the City of Ottawa had also expressed a desire to explore implementing the subclass.

Overview of Local Area Treasurers Discussions and Survey

Since the introduction of the small business subclass as part of the 2020 Ontario budget, there has been reoccurring discussions regarding the subclass at the Area Treasurers meetings between Regional staff and Area Treasurers. In August, the Region distributed a survey to the Area Treasurers to formalize their comments. The results of the survey, which are reflective of the Area Treasurers opinions only, can be summarized as follows:

- 11 of 12 municipalities completed and returned the survey to the Region.
- 9 of the 11 municipalities were not interested in adopting the new small business subclass with only Welland and Lincoln staff expressing interest.
- Of the 9 municipalities not interested, the following concerns were identified:
 - Potential for inter-class and inter-municipal tax shifts;
 - Lack of fairness in providing relief to only a few businesses that may be eligible despite financial difficulties being experienced by many as a result of COVID-19;
 - Increased administrative challenges including increased levy requirements for program administration;
 - Potential for limited benefit for their municipality;
 - Uncertainty around long-term impacts or objectives of the subclass; and
 - Potential for limited correlation between an eligible small business and their ability to afford property taxes.
- 2 of the 9 municipalities not interested expressed a desire to revisit the subclass in the future.
- For the 2 municipalities that were interested they noted that the following conditions or recommendation need to be in place or considered to proceed:

- Relief should be targeted to commercial only or both commercial and industrial;
- Administration of the subclass should be the responsibility of the Region and not the Area Municipalities;
- Subclass eligibility should be application based; and
- Subclass eligibility could be based on number of employees and/or annual revenue.
- Policy objective work would need to be established through further consultation.

Recommendation

Based on staff research and the above feedback, Regional finance staff are not in support of implementing the subclass. The regional inequalities, tax impacts on remaining property owners, added administrative burden including additional annual expenditures and lack of clear policy objectives are the main considerations for this recommendation.

Alternatives Reviewed

1. Council could direct staff to initiate the implementation process for this new subclass for the 2022 taxation year. If so, staff will need to consider:
 - The checklist requirements as established by the Province which are further detailed on Page 5 of Appendix 1 to Report CSD 58-2021. As a result of the anticipated lead time necessary for implementation and to ensure the Region fully explores the requirements as outlined in the Province's checklist (which include: engaging the business community, designing the program, passing a by-law and assessing impacts)
 - Impact on 2022 budget. Implementation in advance of the 2022 property taxation year would not be possible without additional direct financial impact to the Region and Area Municipalities. Implementation after a roll return for a taxation year would also result in in-year tax write-offs for which the Region and Area Municipalities would need to budget. MPAC's draft white paper has also identified other items that staff would need to explore before implementation in order to ensure the properties are accurately reflected on the tax roll each year.
 - Subclass should be implemented on a Region-wide basis rather than for only the Area Municipalities that expressed an interest. If it was not implemented on a Region-wide basis, it would result in a redistribution of the Region's levy to Area

Municipalities that have not opted into the new subclass and therefore do not benefit from it.

- Provincial matching requirements. The Province requires program details to be provided to the Province by March 31 of the taxation year for provincial matching of relief on the education tax which would likely not be achievable.
2. Council could direct staff to undertake further public consultation with respect to policy objectives in 2022 and only consider implementation in a future year (i.e., 2023 or later) if compelling enough policy outcomes can be achieved. Implementation would again have to satisfy the same considerations as noted above.

Relationship to Council Strategic Priorities

This report addresses Council's priority of Businesses and Economic Growth.

Other Pertinent Reports

[CSD 12-2021](#) Optional Small Business Tax Subclass Overview

Prepared by:

Rob Fleming, MBA
Senior Tax & Revenue Analyst
Corporate Services

Recommended by:

Todd Harrison, CPA, CMA
Commissioner/Treasurer
Corporate Services

Submitted by:

Ron Tripp, P.Eng.
Acting Chief Administrative Officer

This report was prepared in consultation with the Local Area Treasurers and Margaret Murphy, Associate Director, Budget Planning & Strategy, and reviewed by Helen Chamberlain, Director, Financial Management & Planning/Deputy Treasurer

Appendices

- Appendix 1 Provincial Bulletin, Checklist – Small Business Subclass – May 2021
- Appendix 2 DRAFT Municipal Property Assessment Corporation White Paper –
Policy Drivers Section Excerpt

NEW OPTIONAL SMALL BUSINESS PROPERTY SUBCLASS May 2021

As announced in the *2020 Ontario Budget*, the Province is providing municipalities with the flexibility to target property tax relief to eligible small businesses through the adoption of a new optional small business property subclass. Amendments to O. Reg. 282/98 under the *Assessment Act*, O. Reg. 73/03 under the *Municipal Act, 2001* and O. Reg. 121/07 under the *City of Toronto Act, 2006* were filed on May 7, 2021, which implement the subclass.

This bulletin provides municipalities with an overview of implementation details, including requirements for municipal by-laws, administration of the subclass and provincial matching of municipal property tax reductions with education property tax reductions.

IMPLEMENTATION

Municipal By-Law

Municipalities that choose to implement the optional small business property subclass are required to pass a municipal by-law providing the following:

- The decision to adopt the subclass
 - In two-tiered municipalities, the upper-tier municipality must pass a by-law to adopt the subclass.
- The subclass tax reduction to be applied to the commercial and/or industrial class municipal tax rate
 - The reduction can be set up to 35% of the municipal rate for the property class.
- Requirements that the property must meet to be included in the subclass
 - Municipalities have a variety of priorities that may influence the definition of “small business” and, as such, are in the best position to define eligibility criteria that reflect their local priorities and needs.
 - Note that all commercial and industrial properties (except properties that are or would be classified in the large industrial property class or the parking lot and vacant land property class, or vacant or excess land), are eligible to be included in the new small business property subclass.
- Appointment of a Program Administrator to administer the program, including approving properties for inclusion in the subclass, notifying property owners of

decisions and reviewing requests for reconsideration related to a property's eligibility for inclusion in the subclass

- Appointment of an Appellate Authority to hear any appeals of the Program Administrator's eligibility decisions

Municipalities may also choose to require in municipal by-law that landlords pass the tax reduction to tenants as a condition of eligibility in the subclass.

As part of the process of developing a small business property subclass by-law, municipalities are strongly encouraged to consult with their local business stakeholders and other interested parties.

Program Administration

Municipalities are responsible for establishing detailed eligibility criteria for the optional small business subclass. This would require the municipality to develop and administer a process to identify or approve eligible properties for inclusion in this subclass.

Through the appointment of a Program Administrator, municipal staff would identify qualifying properties classified in the commercial or industrial property classes, or both, that meet the eligibility criteria. This could be done either through an application-based process or through a criteria-based determination process. Properties approved for inclusion in the subclass by the Program Administrator must be listed in a publicly accessible registry (details of the registry requirements are found in the Municipal Checklist below). The Program Administrator would also be required to establish a process where an owner may make a request for reconsideration.

Municipalities can utilize the Ontario Property Tax Analysis (OPTA) system to build scenarios and model tax impacts of adopting the small business subclass.

Municipalities are required to notify the Municipal Property Assessment Corporation (MPAC) of the properties included in the subclass, such that MPAC can classify the property within the small business property subclass for taxation purposes.

Municipalities will also be responsible for monitoring ongoing eligibility, updating the registry of eligible properties and notifying MPAC when properties become eligible or ineligible for the subclass as a result of a municipal determination.

Municipalities are also required to appoint an Appellate Authority to hear appeals about whether or not the property should be included in the subclass.

Appeals of assessed value would continue to be directed to the Assessment Review Board.

Funding the Subclass

Consistent with other property subclasses, municipalities can fund the small business subclass either by absorbing the cost through a levy decrease or by funding it broadly across all property classes.

Municipalities also have the option of funding the small business subclass within the commercial and/or industrial property class through the adoption of revenue neutral tax ratios, as per section 9 in O. Reg 385/98 under the *Municipal Act, 2001* and section 2.2 in O. Reg. 121/07 under the *City of Toronto Act, 2006*.

The adoption of the subclass, including how the tax reduction is funded, is a municipal decision. As with other tax rate decisions, municipalities are responsible for understanding the potential tax impact on affected taxpayers. Municipalities are strongly encouraged to consult with their local business stakeholders and other interested parties prior to finalizing their decision-making.

Provincial Matching of Tax Reductions

As announced in the *2020 Budget*, the Province will consider matching municipal property tax reductions with education property tax reductions to provide further support for small businesses. To qualify:

- Municipalities would notify the Minister of Finance of the decision to adopt the subclass and submit a municipal by-law outlining the program requirements as well as estimated total municipal tax relief to small businesses.
- Municipalities would conduct consultations with business stakeholders regarding the small business property subclass.
- The Minister would review each submission and determine whether to match municipal reductions on a case-by-case basis.

Submissions to the Minister of Finance can be sent directly to the Minister, with a copy to info.propertytax@ontario.ca, prior to **March 31** for the applicable taxation year.

Hon. Peter Bethlenfalvy
Minister of Finance, and President of the Treasury Board
Frost Building South, 7th Floor
7 Queen's Park Cres.
Toronto, ON M7A 1Y7
Minister.fin@ontario.ca

Regulations

Regulations implementing the small business property subclass are available on the Government of Ontario's e-laws website at www.ontario.ca/laws. These include:

- O. Reg. 282/98 under the *Assessment Act* is amended by O. Reg. 331/21 establishing the optional small business property subclass
- O. Reg. 73/03 under the *Municipal Act, 2001* is amended by O. Reg. 332/21 setting the municipal reduction factor for the optional small business property subclass
- O. Reg. 121/07 under the *City of Toronto Act, 2006* is amended by O. Reg. 333/21 setting the municipal reduction factor for the optional small business property subclass

FURTHER INFORMATION

Municipalities with any questions regarding the optional small business property subclass may contact the Ministry of Finance at info.propertytax@ontario.ca.

OPTIONAL SMALL BUSINESS PROPERTY SUBCLASS – MUNICIPAL CHECKLIST**MAY 2021****PROGRAM DETAILS**

- ✓ Have you adopted the subclass through municipal by-law?
- ✓ Have you established eligibility criteria for a small business?
- ✓ For municipalities in a two-tiered system, have you discussed proposed changes with lower-tier municipalities?
- ✓ Have you considered how the subclass would be funded?
- ✓ Have you set a discount applicable to the class?
- ✓ Have you consulted with local business stakeholders and other interested parties?

IMPLEMENTATION

- ✓ Have you established an application process or established a criteria-based determination process?
- ✓ Have you appointed a Program Administrator?
- ✓ Have you appointed an Appellate Authority?
- ✓ Have you established a publicly accessible registry of eligible properties? The registry may include but is not limited to the following information:
 - Assessment Roll Number
 - Property Address
 - Unit Number (if applicable)
 - Leased Space (if applicable)
- ✓ Have you provided MPAC the list of eligible properties including property details? The list of eligible properties to MPAC would include the following information:
 - Assessment Roll Number
 - Property Address
 - Legal Description
 - Square Footage
 - Floorplan (if applicable)
- ✓ Have you made a submission to the Minister of Finance to request matching the municipal tax reduction with an education tax reduction? Submission would include the following information:
 - By-law adopting the subclass
 - Overview of program requirements
 - Estimated total municipal tax relief to small businesses
 - Confirmation of consultation with the business community

If you have any questions regarding the implementation of the optional small business property subclass, please contact the Ministry of Finance at info.propertytax@ontario.ca.

Ontario's Small Business Property Subclass: Considerations for Municipalities

2. Municipal Guide to Using the Small Business Property Subclass

2.1. Policy Drivers

A variety of financial and economic development tools already are available to nurture small business development and support their survival. The Subclass adds to this toolbox. Its use should be considered within the broader context of each municipality's characteristics and policy objectives and the combination of tools that best addresses local issues and goals.

The Municipal Working Group identified six potential policy drivers that municipalities where use of the Subclass may align with municipalities' planning or economic development goals. The Survey of Municipalities (the Survey) indicated that all six are of interest to at least a few municipalities. The percentage of Survey respondents who are considering the Subclass or are unsure about using it is provided for each one.¹ The policy drivers are not mutually exclusive nor exhaustive. Some municipalities are interested in achieving several of them:

1. Nurture local small business development in one or more sectors of the economy;
2. Support Downtown and Main Streets;
3. Nurture the development of Innovation Districts, Creativity Zones or Business Parks;
4. Support Business Improvement Areas (BIAs);
5. Mitigate the impact of shifts in property values between districts for small businesses; and/or,
6. Mitigate the impact of widespread revenues losses due to circumstances beyond businesses' control.

Nurture Local Small Business Development in one or more Sectors of the Economy

Providing property tax relief by using the Subclass is a tool that municipalities can consider to support small businesses. Property tax is a significant fixed cost, sometimes

¹ Thirty five Survey respondents (26%) indicated that they did not intend to implement the Subclass and did not answer the questions about the policy objectives they were interested in achieving by using it. They are not included in the calculation of the percentages provided below. The adjusted base is 100 respondents who are considering the Subclass or are unsure about using it.

equalling or exceeding rental levels. The Survey indicated fairly widespread interest in providing broad support to small businesses throughout the municipality (58% of respondents considering the Subclass²), while 9% are considering making the support sector specific, all targeting small retailers and some also including arts/culture, manufacturing and commercial offices. Open ended comments included interest in supporting small business development and entrepreneurship to diversify the local economy.

Support Downtown and Main Streets

Small business support often is synergistic with policies encouraging the revitalization and sustainability of geographic business districts within municipalities. Small commercial businesses tend to predominate in traditional downtowns and main streets, areas which play important community identity, heritage and city-building roles in communities. 11% of the Survey respondents considering the Subclass indicated that downtown or main street support was a policy driver.

Nurture the Development of Innovation Districts, Creativity Zones or Business Parks

Another example where the tax class may have applicability is to support the clustering of small commercial and industrial businesses and entrepreneurs in “innovation districts” and “creativity zones”. Clustering enables small businesses to build synergies and business-to-business connections among themselves. The zones are sometimes associated with revitalizing industrial and port areas. 5% of the Survey respondents considering the Subclass are interested in targeting “innovation zones”, while 6% are interested in targeting their Central Business Districts.

Support Business Improvement Areas (BIAs)

The BIA program has shown itself to be an extremely effective self-help tool enabling both commercial and industrial business communities to come together and collectively invest in improvements to municipally owned property as well as promotional and business development activities that strengthen the business district. They fund the investment through a special levy paid by all commercial and industrial property owners within a specific geographic Area.

Many of their activities also benefit the municipality at large, including local residents and other businesses. Examples include festivals, public entertainment, sidewalk amenities and beautification, developing public squares and parkettes, marketing programs that attract more people to the community, etc. Yet the businesses in BIAs pay the total cost, often resulting in their total taxes being significantly higher than property taxes paid by comparable businesses in other districts. The Subclass could be

² As is explained in Footnote 2, the base for this percentage and those that follow is the 100 respondents who either are considering the Subclass or are unsure about implementing it.

used to partially compensate businesses in BIAs for their additional investment. 11% of the Survey respondents considering the Subclass are interested in targeting BIAs.

Mitigate the Impact of Shifts in Property Values between Districts for Small Businesses

When a property's CVA increases greater than the average for its tax class, the property owner may experience an increase in property taxes above a general tax levy increase. The increase often is passed through to the business tenants operating in the property (as is further discussed in Section 2.6 below)

This can result in tax shifts between different parts of a municipality.

Examples of situations when shifts in property values between districts may occur include:

- In "Growth Areas", where residential or commercial intensification is permitted by the municipality. CVA may increase in anticipation of the redevelopment of properties to higher densities. Property owners and their business tenants may experience increased property taxes as a result.
- Upgraded infrastructure in a district may lead to higher than average market appreciation leading to higher increases in property values during a reassessment relative to other business areas in the community:

30% of the Survey respondents considering the Subclass indicated that mitigating the impact of high CVA increases on small business was relevant.

Mitigate the Impact of Widespread Revenues Losses due to Circumstances Beyond Businesses' Control.

Property tax is a significant fixed cost for most businesses. Therefore, revenue decreases can cause previously sustainable property tax amounts to become less affordable. Small businesses are more vulnerable than larger corporations since they often have limited access to financing or to corporate cash reserves. The Subclass may be a helpful tool for supporting small businesses through such crisis's, especially when the impact is expected to last for several years.

The most recent and dramatic example of widespread business revenue reductions was caused by COVID-19 in 2020 and 2021. Many businesses providing "non-essential" goods and services were required to close or significantly reduce their operations to contain the spread of the pandemic. Impacts for some types of businesses and districts are expected to extend into 2022 and even beyond – especially in sectors and areas dependent on tourism or on employment concentrations where there may be widespread continuation of remote-working. Widespread business support has been provided by the Federal and Provincial governments as well as by many individual municipalities. Specific to property tax stability, the Province continued to use the 2016

CVA for the 2020 and 2021 tax years and reduced the business education tax rate to a maximum of 0.88% throughout the Province.³ The Subclass provides an additional tool.

Extended construction projects where businesses are impacted by road and sidewalk closures or other significant disruptions are another example. Municipalities could consider using the Subclass to provide property tax relief to small businesses located in districts impacted by multi-year road reconstruction or other major construction projects.

6% of the Survey respondents considering the Subclass indicated that providing post-COVID relief to impacted small businesses was a policy driver, while 1% (one person) added that their municipality was interested in providing assistance to small businesses impacted by major road construction.

³ Previously BET rates were variable with businesses in some municipalities paying 1.25%. Reducing all high BET rates to 0.88% resulted in a \$450 million reduction for businesses.

Administration

Office of the Regional Clerk

1815 Sir Isaac Brock Way, PO Box 1042, Thorold, ON L2V 4T7

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December 3, 2021

CL 21-2021, November 18, 2021
BRCOTW 5-2021, November 4, 2021
CSD 67-2021, November 4, 2021

LOCAL AREA MUNICIPALITIES**SENT ELECTRONICALLY**

**RE: Report CSD 67-2021 – 2022 Budget – Waste Management Services
Operating Budget and Rate Requisition**

Regional Council, at its meeting of November 18, 2021, approved the following recommendation of its Budget Review Committee of the Whole:

That Report CSD 67-2021, dated November 4, 2021, respecting 2022 Budget-Waste Management Services Operating Budget and Requisition, **BE RECEIVED** and the following recommendations **BE APPROVED**:

1. That the 2022 Waste Management Services net operating budget increase of \$2,246,285 or 5.54% inclusive of mitigations and reserve funding **BE APPROVED**;
2. That the 2022 Waste Management Services gross operating budget of \$69,306,516 and net budget of \$42,813,049 as per Appendix 4 of Report CSD 67-2021, **BE APPROVED**;
3. That the net budget amount of \$42,813,049 **BE APPORTIONED** between the local municipalities in accordance with the methodology approved in PWA 55-2011, as per Appendix 2 of Report CSD 67-2021;
4. That the necessary by-laws **BE PREPARED** and **PRESENTED** to Council for consideration; and
5. That a copy of Report CSD 67-2021 **BE CIRCULATED** to the Local Area Municipalities.

A copy of Report CSD 67-2021 and By-law 2021-89 are enclosed for your information.

Yours truly,

A handwritten signature in black ink, appearing to read "Ann-Marie".

Ann-Marie Norio
Regional Clerk

Distribution List: H. Chamberlain, Director, Financial Management & Planning/Deputy Treasurer
T. Harrison, Commissioner, Corporate Services/Treasurer
K. Beach, Executive Assistant, Commissioner, Corporate Services

Subject: 2022 Budget-Waste Management Services Operating Budget and Requisition

Report to: Budget Review Committee of the Whole

Report date: Thursday, November 4, 2021

Recommendations

1. That the 2022 Waste Management Services net operating budget increase of \$2,246,285 or 5.54% inclusive of mitigations and reserve funding **BE APPROVED**;
2. That the 2022 Waste Management Services gross operating budget of \$69,306,516 and net budget of \$42,813,049 as per Appendix 4 of Report CSD 67-2021, **BE APPROVED**;
3. That the net budget amount of \$42,813,049 **BE APPORTIONED** between the local municipalities in accordance with the methodology approved in PWA 55-2011 as per Appendix 2 of Report CSD 67-2021;
4. That the necessary by-laws **BE PREPARED** and **PRESENTED** to Council for consideration; and
5. That a copy of this Report **BE CIRCULATED** to the Local Area Municipalities.

Key Facts

- The proposed Waste Management Service (WMS) net budget represents an approximately \$2.2 million increase, or 5.54% over 2021 as shown in Appendix 1.
- The 2022 Budget Strategy increase of 9.9% has been mitigated to 5.54% by using increased reserve draws resulting from the forecasted 2021 surplus attributed to higher than budgeted recycling commodity prices and as part of a longer term strategy that considers long-term budget impacts from extended producer responsibility regulations beginning in 2024.
- Assessment growth for Niagara Region and Area Municipalities has not been finalized; however, estimated assessment growth by municipality is summarized in Appendix 2. The Region's year-to-date overall assessment growth (as of October 18, 2021) is 1.36% for 2021, resulting in the net requisition increase to be approximately 4.18% (5.54% less 1.36%) with an average typical residential impact of \$6.85 per year.

- The net requisition amount has been allocated in accordance with the methodology approved in PWA 55-2011. The impacts by municipality in Appendix 3 are affected by the budget increase as well as growth in households and the enhanced services (as requested and selected by each Local Area Municipality (“LAM”)).

Financial Considerations

Current Year

The gross budget proposed for 2022 totals \$69.3 million with a net budget of \$42.8 million, which is an approximately \$2.2 million or a 5.54% increase over 2021 as outlined in Appendix 1. A significant driver of the annual increase remains the new collection contract for which 2021 was the first full year. A landfill operations contract, which came in approximately \$1M over budget as well as an expansion of the current compost processing contract with Walker Industries are also major drivers in the 2022 proposed budget. The proposed 2022 budget also includes increases as a result of reintroducing budget mitigation measures from 2021. As part of the multi-year mitigation strategy for the new collection contract, staff are recommending use of stabilization reserve funding of \$2.4 million as part of the 2022 budget.

A schedule providing the revenues and expenditures for 2021 and 2022 is included as Appendix 4. This appendix includes the 2021 budget and the 2022 budget including the percentage change for comparison.

Multi-Year Forecast

As can also be noted in Appendix 1, the multi-year collection contract strategy includes proposed stabilization reserve funding for the 2023 budget totaling \$4.0 million. This additional reserve funding mitigation strategy is possible due to the anticipated changes to occur in 2023 to WMS operations. Staff are recommending leveraging the net savings to be realized by Niagara Region as part of the Material Recovery Facility (MRF) opportunity review in 2023 and transition to extended producer responsibility slated to take place on January 1, 2024.

After transition to extended producer responsibility, municipalities will no longer have financial or operational control of the residential Blue Box Program and producers (brand holders or first importers of any paper, packaging, or packaging-like product managed through the Blue Box Program) will be accountable for all costs associated

with collection, haulage and processing of the material. The key assumptions affecting the multi-year are as follows:

- 2023 – Anticipated reduction in operating expenditure and revenue associated with the MRF opportunity review and divestiture. One year temporary reduction in capital reserve contribution as discussed in greater detail under the Analysis section of this report as part of the multi-year rate mitigation strategy. Waste management stabilization reserve funding estimated at \$4.0 million for the year.
- 2024 – Further reduction in operating expenditures for the collection contract as a result of the completed transition to extended producer responsibility, with a corresponding reduction in Resource Productivity & Recovery Authority revenue.
- 2025 – Anticipated additional contributions to the waste capital reserve of \$3.0 million and stabilization reserves of \$3.2 million as part of the reserve replenishment strategy.
- 2026 – Operations anticipated to be relatively stable in 2026 and onwards in comparison to prior years. The 2025 base transfer to reserves are maintained.

To better detail the anticipated impacts of the extended producer responsibility transition on Niagara Region, staff have prepared a multi-year forecast to 2026, which has also been included as part of Appendix 1. The forecast reflects annual increases of 5.54% for 2022, 5.50% for 2023, 1.97% for 2024, 2.00% for 2025 and 2.00% for 2026. There are many assumptions and unknowns included in these forecasts and therefore staff will reevaluate the long term strategy each year until all the extended producer responsibility transitions decisions are complete to ensure that we moderate rate impacts while also being mindful of reserve impacts.

Analysis

The 2022 WMS budget represents an increase of 5.54% over the approved 2021 net operating budget. In Table 1, the increases/pressures for 2022 are \$5.2 million before recommended mitigation measures totaling \$2.9 million.

Table 1 – Summary of Proposed Waste Management Budget with Pressures and Mitigations ('000)

Waste Management 2022 Budget Summary	Total \$	Total %
2021 Net Requisition	40,567	
Gross Increase/Pressures	5,178	
Operating Subtotal	45,745	12.8%
Mitigations	(2,819)	
COVID-19 Costs Funded from Reserve	(113)	
Net Operating Increase	2,246	
2022 Net Requisition	42,813	5.54%

Increases/Pressures/Mitigation

The budget strategy proposed a 9.9% increase; however, this increase has been mitigated by using additional reserve draws for 2022 due to the projected 2021 surplus associated with commodity revenues and as part of a longer term strategy that takes into consideration the future divestiture of recycling operations. Recommended reserve mitigations reduce the increase as much as possible without introducing risk in the future years due to lack of available reserves. Through the use of reserves, the overall budget increase of 12.8% or \$5.2 million from 2021 to 2022 has decreased to 5.54% or \$2.2 million as identified in Table 1.

Approximately 48% (\$33 million) of the gross budget is related to the waste collection followed by 26% (\$18 million) for waste diversion, 20% (\$14 million) for disposal operations and processing, with the remaining 6% (\$5 million) of the budget for administration, policy and planning. As much of the program is delivered through partnerships with private service providers, 82% of the operating-related costs (before capital financing and business support) are in the form of outsourced costs (alternative service delivery) and are subject to contract escalations and conditions. Of total expenses, only approximately 3% are considered discretionary.

The pressures in operations that contributed to the net operating increase before mitigations are comprised of the following:

- \$1.9 million increase from \$5.6 million to \$7.5 million for landfill/ recycling/ composting services due to new contracts (based on tender process) and increase in processing volumes.

- \$1.4 million or 4% increase in collection contract due to annual increases (CFI, fuel, household increases) associated with base and enhanced collection services. Increased from \$30.9 million to \$32.2 million.
- \$1.0 million decrease in use of stabilization reserve funding from 2021. The 2020 budget proposed a three-year mitigation plan to assist in phasing in the increased costs of the new collection contract. The 2022 budget recommends Waste Management Stabilization reserve funding to mitigate the 2022 budget be reduced from \$3.4 million to \$2.4 million.
- \$0.5 million decrease from \$1.3 million to \$0.8 million in garbage bag tag revenue, as projected sales did not materialize in 2021 due to impacts of every-other-week waste collection.
- \$0.3 million or 8% increase in labour-related expenditures net of \$0.1 million of reserve funding for the temporary staff to assist with the transition to extended producer responsibility. The wage and benefit pressure is \$0.1million and the balance relates to the addition of students that were removed in 2021 to mitigate rate increases and the addition of a new part-time position to assist with waste exemption application which have seen an increase of 400% over prior years.
- \$0.3 million increase for bin exchange program purchases from \$0.4 million to \$0.7 million. As part of the 2021 budget mitigation measures, the Region canceled the bin exchange program but was later reinstated through a budget amendment.
- \$0.2 million increase in consulting services (net of one-time reserve funding for waste management strategy) from \$0.3 million to \$0.5 million required to undertake a study to address disposal needs for excess soils and carry out waste composition audits at various multi-residential properties to provide baseline data for transition to extended producer responsibility.
- \$0.2 million increase from \$0.2 million to \$0.4 million to promotion and education budget as a result of communications for long-term strategic plan, printing and delivery of collection guide and green bin campaign.

The pressures noted above were partially offset by positive variance which are comprised of the following:

- \$3.5 million increase in end market revenue excluding Waterloo and Haldimand contracts from \$5.1 million to \$8.6 million due to projected increase in 2022 material rates based on year-to-date 2021 actuals and projected trends in 2022.
- \$0.5 million net increase in recycling revenue after purchases for Haldimand and Waterloo contracts based on trending of recycling commodity prices.

The mitigations to the 2022 budget are \$2.8 million and are comprised of the following:

- Net stabilization reserve funding as noted previously.
- \$0.06 million in one-time reserve funding for additional funding for the long-term strategic plan, temporary staff to support extended producer responsibility and reimbursement to correct an enhanced service cost error that was part of the 2021 requisition.

Reserve Management

The operating budget includes a \$4.1 million transfer to capital reserves, which is split between Landfill Liability Reserve (\$2.3 million) to fund the liability related to closed landfills and the Waste Capital Reserve (\$1.8 million) to fund open landfill sites and MRF capital. The reserve contributions follow the methodology set through CSD 70-2017.

As previously identified in Appendix 1, 2022 funding from the WMS stabilization reserve totalling \$2.4 million is proposed to mitigate the impacts of the collection contract increases. The reserve funding is part of a multi-year strategy, which was originally presented with the 2020 budget deliberations.

In 2023, there is inadequate stabilization reserve to meet the multi-year mitigation strategy; therefore, staff are also proposing that for 2023, the capital reserve contributions be decreased to \$1.1 million but reinstated in 2024 with an additional top up in 2025 as noted in Appendix 1. Also as noted in Appendix 1, the WM stabilization reserve balance will be reduced to near zero by the end of 2023 but will be replenished in future years as a result of budgetary savings associated with the transition to extended producer responsibility. This approach does have risk, as there will be no stabilization funding available in the future to mitigate one-time pressures, therefore contributions to the stabilization reserve will be evaluated each year. In the absence of reserve balances to fund year-end deficits, increases to future budgets will be required. The current multi-year budget includes \$3.2 million in 2024 and \$3.3 million in 2025 to replenish the stabilization reserve.

COVID-19 Impacts

Staff have identified \$0.1 million in COVID-19 related expenditures that will be funded from any remaining Safe Restart funding or Waste Management stabilization reserves in the absence of external funding. These amounts primarily relate to enhanced cleaning and social distancing measures for Regional staff.

2022 Waste Management Requisition

The net requisition amount will be allocated in accordance with the methodology approved in PWA 55-2011. As such, base WMS costs will be apportioned based on the 2020 percentage of residential units in each municipality, while the enhanced collection services and associated disposal costs will be apportioned to the requesting municipalities.

The year-over-year increase in requisition amount by municipality before assessment growth equates to an increase ranging from 4.62% to 8.74% with an average increase of 5.54%, as outlined in Appendix 2.

The net requisition changes by municipality after year-to-date assessment growth (as at October 18, 2021) of 1.36% ranges from 3.29% to 5.35%. This range is the result of the differences in household growth between local area municipalities as well as net assessment growth. The WMS levy is collected as a special levy with the Region establishing the tax rates for each municipality (with the exception of Niagara on the Lake). Note that these are average impacts and the actual impact will vary on each individual property based on year-over-year assessment change relative to the average assessment change attributed to growth.

Appendix 3 provides the impacts of the WMS requisition for 2022 in comparison to 2021 on a cost per typical residential unit basis by area municipality. The 5.54% increase on the budget will impact the average residential property from \$4.11 to \$8.78 annually depending on the municipality (average impact of \$6.85 per year).

Waste Management staff, in consultation with Finance staff, are reviewing the allocation methodology utilized for the WMS requisition between area municipalities. The current methodology was reaffirmed by Council in 2011 and has not been reviewed since that time. As part of the review, staff will engage the local area municipalities and review relevant legislation to determine if there is a need to amend the current methodology. No change is proposed for 2022.

Risks & Opportunities

The proposed budget, like any budget, has a number of risks, as well as opportunities, which include:

- Recycling Commodity Prices –The market for commodities fluctuates. The 2022 commodity process are based on current market trends.
- Uncertainty around the Waste Free Ontario Act and the transition to extended producer responsibility and the impacts on the recycling facility.
- Other Price Risks – the collection contract with the private sector contains a number of contract adjustments related to fuel prices and CPI. If these factors exceed the forecast, that could have a material impact on the budget.
- Counterparty risk related to the waste collection contract for services that represents 47% of WMS's 2022 total gross operating costs.
- Reserve mitigation – utilization of the Waste Management Stabilization Reserve to phase-in the pressure from the new collection contract that started in October 2020. This is projected to decrease the reserve to a balance of \$0.7 million by the end of 2023. This may limit staff's ability to mitigate budget pressures as they arise (i.e. decreased end-market revenues) and could therefore result in increased pressure on future year budgets.

Alternatives Reviewed

None.

Relationship to Council Strategic Priorities

The 2022 WMS budget supports responsible growth and infrastructure planning and supports Council's objective of environmental sustainability and stewardship.

Other Pertinent Reports

PWA 55-2011 – Waste Management Services Financing Study

CSD 70-2017 – Waste Management Reserve Strategy

WMPSC-C 33 – 2018 Waste Management Tipping Fees

PW 61-2019 – Base Level Service for Waste Management Collection Contract

PW 65-2019 – Confidential – Pricing of Successful Proponents and Review of Optional Services for WM Collection Contract

Prepared by:

Helen Chamberlain, CPA, CA
Director, Financial Management &
Planning/Deputy Treasurer
Corporate Services

Recommended by:

Todd Harrison, CPA, CMA
Commissioner/Treasurer
Corporate Services

Submitted by:

Ron Tripp, P.Eng.
Chief Administrative Officer

This report was prepared by Rob Fleming, Senior Tax & Revenue Analyst in consultation with Sara Mota, Program Financial Specialist and reviewed by Margaret Murphy, Associate Director, Budget Planning & Strategy and Catherine Habermehl, Director, Waste Management Services.

Appendices

Appendix 1	Extended Multi-Year Forecast
Appendix 2	Proposed 2022 Requisition by Municipalities
Appendix 3	2022 WM Requisition for Typical residential Property by Municipality
Appendix 4	Waste Management Schedule of Revenues and Expenditures

Mult-year Budget Forecast 2022 to 2026 (\$000)

Budget Summary	2021	2022	2023	2024	2025	2026
Total Operating	57,153	63,445	58,839	45,751	40,666	41,479
Business Support	1,575	1,712	1,728	1,851	1,888	1,926
Capital Transfer to Reserve & Debt Charges	4,146	4,149	1,190	4,188	7,272	7,417
Gross Budget	62,874	69,307	61,757	51,790	49,826	50,822
Less: Revenues	-18,735	-23,562	-12,621	-5,954	-6,073	-6,194
Net Budget Requisition - Before Reserve Transfers	44,138	45,745	49,136	45,836	43,753	44,628
Percentage Change		3.64%	7.41%	-6.72%	-4.55%	2.00%
COVID-19 Costs Funded from Reserve	-126	-113	0	0	0	0
One-Time Reserve Funding	0	-385	0	0	0	0
New Collection Contract Mitigation (2020-2023) / Replenishment Strategy (2024-2026)	-3,446	-2,434	-3,969	220	3,225	3,290
Net Budget Requisition – After Reserve Funding	40,567	42,813	45,167	46,056	46,978	47,918
Percentage Change		5.54%	5.50%	1.97%	2.00%	2.00%

Waste Management Stabilization Reserve Projected Balances (\$000)

Reserve	Projected 2021 YE Balance	Projected 2022 YE Balance	Projected 2023 YE Balance	Projected 2024 YE Balance	Projected 2025 YE Balance	Projected 2026 YE Balance
Waste Stabilization Reserve	7,463	4,581	612	932	4,257	7,647
Target Balance	6M to 9M	6M to 9M	6M to 9M	5M to 7M	4M to 6M	4M to 6M

Proposed 2022 Requisition by Municipality

Municipality	2021 Charges (\$000)	2022 Requisition (\$000)	Increase/ (Decrease) (\$000)	Increase/ (Decrease) (%)	Taxable Assessment Growth (%)**	Net Increase/ (Decrease) (%)
Fort Erie	\$ 3,083	\$ 3,255	\$ 172	5.59%	2.24%	3.35%
Grimsby	\$ 2,231	\$ 2,386	\$ 154	6.91%	1.56%	5.35%
Lincoln	\$ 1,854	\$ 2,000	\$ 146	7.88%	2.88%	5.00%
Niagara Falls	\$ 7,953	\$ 8,363	\$ 410	5.16%	1.41%	3.75%
Niagara-on-the-Lake*	\$ 1,758	\$ 1,845	\$ 87	4.94%	0.94%	4.00%
Pelham	\$ 1,407	\$ 1,504	\$ 97	6.89%	2.35%	4.54%
Port Colborne	\$ 2,042	\$ 2,139	\$ 98	4.79%	0.73%	4.05%
St. Catharines	\$ 12,312	\$ 12,880	\$ 568	4.62%	0.17%	4.45%
Thorold	\$ 1,736	\$ 1,888	\$ 152	8.74%	5.45%	3.29%
Wainfleet	\$ 625	\$ 655	\$ 30	4.75%	0.48%	4.27%
Welland	\$ 4,533	\$ 4,803	\$ 269	5.94%	1.08%	4.86%
West Lincoln	\$ 1,031	\$ 1,095	\$ 63	6.13%	1.54%	4.60%
Total	\$ 40,567	\$ 42,813	\$ 2,246	5.54%	1.36%	4.18%

Notes:

* NOTL assessment growth value on increase in residential units NOT CVA (as per NOTL requisition methodology).

** Total taxable assessment growth percentage of 1.36% represents Niagara actual growth for 2020 as of October 18, 2021

Change in Residential Units - 2022 Budget over 2021 Budget

Municipality	Residential Units 2021 Budget	Residential Units 2022 Budget	Increase/ (Decrease)	Increase/ (Decrease) (%)
Fort Erie	15,792	15,964	172	1.09%
Grimsby	11,297	11,576	279	2.47%
Lincoln	9,363	9,668	305	3.26%
Niagara Falls	38,496	39,036	540	1.40%
Niagara-on-the-Lake	8,711	8,793	82	0.94%
Pelham	7,097	7,249	152	2.14%
Port Colborne	10,313	10,346	33	0.32%
St. Catharines	60,012	60,046	34	0.06%
Thorold	8,608	8,982	374	4.34%
Wainfleet	3,231	3,239	8	0.25%
Welland	23,415	23,702	287	1.23%
West Lincoln	5,462	5,547	85	1.56%
Total	201,797	204,148	2,351	1.17%

2022 WM Requisition For Typical Residential Property by Municipality

Municipality	2021 Final CVA ¹	2021 Final WM Tax Rate	2021 Final WM Taxes	2022 Draft CVA ¹	2022 Draft WM Tax Rate ³	2022 Draft WM taxes	Annual Increase/ (Decrease) (\$)	Annual Increase/ (Decrease) (%)	Monthly Increase/ Decrease (\$)
Fort Erie	216,145	0.00071936	\$ 155.49	216,145	0.00074217	\$ 160.42	\$ 4.93	3.17%	\$ 0.41
Grimsby	400,088	0.00042417	\$ 169.71	400,088	0.00044611	\$ 178.48	\$ 8.78	5.17%	\$ 0.73
Lincoln	364,773	0.00044543	\$ 162.48	364,773	0.00046667	\$ 170.23	\$ 7.75	4.77%	\$ 0.65
Niagara Falls	262,988	0.00054682	\$ 143.81	262,988	0.00056582	\$ 148.80	\$ 5.00	3.47%	\$ 0.42
Niagara-on-the-Lake ²									
Pelham	364,292	0.00048218	\$ 175.65	364,292	0.00050332	\$ 183.36	\$ 7.70	4.38%	\$ 0.64
Port Colborne	207,501	0.00092220	\$ 191.36	207,501	0.00095832	\$ 198.85	\$ 7.49	3.92%	\$ 0.62
St. Catharines	259,643	0.00069068	\$ 179.33	259,643	0.00072096	\$ 187.19	\$ 7.86	4.38%	\$ 0.66
Thorold	228,358	0.00060894	\$ 139.06	228,358	0.00062692	\$ 143.16	\$ 4.11	2.95%	\$ 0.34
Wainfleet	273,324	0.00059993	\$ 163.98	273,324	0.00062529	\$ 170.91	\$ 6.93	4.23%	\$ 0.58
Welland	214,079	0.00079307	\$ 169.78	214,079	0.00083032	\$ 177.75	\$ 7.97	4.70%	\$ 0.66
West Lincoln	323,030	0.00047179	\$ 152.40	323,030	0.00049298	\$ 159.25	\$ 6.85	4.49%	\$ 0.57

Notes:

¹ 2021 and 2022 average CVA based on average value from 2020 tax policy study. No change from 2020 to 2022 as a result of Provincial delay of new assessment cycle.

² NOTL charge to residents based on fixed household amount as determined by the Town.

³ 2022 draft WM rates based on 2022 tax policy (except discount factors), 2022 draft requisition amounts and 2022 estimated returned roll assessment values.

2022 Waste Management Schedule of Revenues and Expenditures by Object of Expenditure

Object of Expenditure	2021 WMS Budget Total (\$)	2022 WMS Budget Total (\$)	Total Variance (\$)	Combined Variance (%)	Note
A_40000AB Compensation	3,574,470	3,994,881	420,411	11.8%	(1)
A_41000AB Administrative	742,484	1,363,955	621,471	83.7%	(2)
A_44000AB Operational & Supply	49,749,724	54,969,582	5,219,858	10.5%	(3)
A_50000AB Occupancy & Infrastructure	1,620,477	1,557,301	(63,176)	(3.9%)	
A_52000AB Equipment, Vehicles, Technology	1,150,164	1,180,084	29,920	2.6%	
A_56000AB Partnership, Rebate, Exemption	196,178	224,658	28,480	14.5%	
A_75100AC Transfers To Funds	4,135,500	4,135,500	0	0.0%	
A_60000AC Allocation Between Departments	119,341	154,473	35,132	29.4%	
Gross Expenditure Subtotal	61,288,339	67,580,435	6,292,096	10.3%	
A_30000AB Taxation	(40,566,764)	(42,813,047)	(2,246,283)	5.5%	
A_32400AB By-Law Charges & Sales	(12,269,077)	(17,051,374)	(4,782,297)	39.0%	(4)
A_34950AB Other Revenue	(6,466,388)	(6,510,449)	(44,061)	0.7%	
A_75000AC Transfers From Funds	(3,571,710)	(2,931,646)	640,064	(17.9%)	(5)
Gross Revenue Subtotal	(62,873,938)	(69,306,516)	(6,432,576)	10.2%	
Net Expenditure (revenue) before indirect allocations	(1,585,599)	(1,726,081)	(140,482)	8.9%	
A_70000AC Indirect Allocation	1,507,622	1,602,385	94,763	6.3%	
A_70200AC Capital Financing Allocation	77,977	123,697	45,720	58.6%	
Allocation Subtotal	1,585,599	1,726,081	140,482	8.9%	
Net Expenditure (revenue) after indirect allocations	0	0	0	0	

Notes:

- (1) Includes reintroducing staffing mitigation measures that were part of the 2021 budget for the purposes of COVID-19 as well as inclusion of temporary staff for end producer responsibility support (to be funded from reserves) of \$0.4M.
- (2) Includes increases for consulting services required to complete waste management strategy; additional consulting to undertake soil study and mixed-residential waste audits of \$0.4M (Net \$0.2M after reserve funding), promotion and education expenditure of \$0.2M.
- (3) Includes pressures related to the landfill/recycling/composting services \$1.9M, new collection contract of \$1.4M, recycling purchases of \$1.3M, bin purchases of \$0.3M.
- (4) Includes increased end market recycling revenue of \$5.2M and decreased bag tag revenue of \$0.5M.
- (5) Includes proposed stabilization reserve mitigation measure of \$2.4M for 2022 less one-time stabilization reserve draw in 2021 of \$3.4M.

THE REGIONAL MUNICIPALITY OF NIAGARA

BY-LAW NO. 2021-89

A BY-LAW TO ADOPT THE 2022 WASTE MANAGEMENT
BUDGET FOR THE REGIONAL MUNICIPALITY OF
NIAGARA

WHEREAS subsection 289 (1) of the Municipal Act, 2001, S.O. 2001, c.25, as amended, requires that an upper-tier municipality shall in each year prepare and adopt a budget; and,

WHEREAS the Council of the Regional Municipality of Niagara adopted its 2022 Waste Management Budget as described herein.

NOW THEREFORE the Council of The Regional Municipality of Niagara enacts as follows:

1. That the 2022 Waste Management Gross Operating Budget of \$69,306,516 and Net Operating Budget of \$42,813,049 be and hereby adopted.
2. That the 2022 budgeted net waste management operating budget be apportioned to the lower-tier municipalities as follows:

Municipality	2022 Net Budget Allocation (\$)
Fort Erie	3,255,090
Grimsby	2,385,612
Lincoln	2,000,161
Niagara Falls	8,362,513
Niagara-on-the-Lake	1,845,340
Pelham	1,504,306
Port Colborne	2,139,471
St. Catharines	12,880,404
Thorold	1,887,676
Wainfleet	655,208
Welland	4,802,535
West Lincoln	1,094,733
Total	42,813,049

3. That this by-law shall come into force and effect on the day upon which it is passed.

THE REGIONAL MUNICIPALITY OF NIAGARA



James Bradley, Regional Chair



Ann-Marie Norio, Regional Clerk

Passed: November 18, 2021

December 3, 2021

CL 21-2021, November 18, 2021
BRCOTW 5-2021, November 4, 2021
CSD 68-2021, November 4, 2021

LOCAL AREA MUNICIPALITIES

SENT ELECTRONICALLY

RE: Report CSD 68-2021 – 2022 Budget – Water and Wastewater Operating Budget, Rate Setting and Requisition

Regional Council, at its meeting of November 18, 2021, approved the following recommendation of its Budget Review Committee of the Whole:

That Report CSD 68-2021, dated November 4, 2021, respecting 2022 Budget-Water and Wastewater Operating Budget, Rate Setting and Requisition, **BE RECEIVED** and the following recommendations **BE APPROVED**:

1. That the 2022 Water & Wastewater net operating base budget increase of \$2,508,401 (or 2%) for Operating plus \$3,950,509 (or 3.15%) for Capital Financing over the 2021 operating budget **BE APPROVED** in accordance with the Safe Drinking Water Act (SDWA) Financial Plan;
2. That the 2022 Water Operations gross operating budget of \$48,895,951 and net budget in the amount of \$48,517,726 for the Water Budget, Rates and Requisition **BE APPROVED**;
3. That the proposed fixed water requisition shown in Table 3 of Report CSD 68-2021, based on 25% of the Region's water net operating budget for the year and divided by 12 to determine the monthly charge, to be billed to each of the serviced Local Area Municipalities starting January 1, 2022, apportioned based on their previous three year's average water supply volumes, **BE APPROVED**;
4. That the Region's proposed 2022 variable water rate of \$0.636, shown in Table 4 of Report CSD 68-2021, to be effective January 1, 2022 and calculated by taking 75% of the Region's water net operating budget and dividing by the estimated supply volume, to be billed on a monthly basis to each serviced Local Area Municipality based on the previous month's metered flows, **BE APPROVED**;
5. That the 2022 Wastewater Operations gross operating budget of \$86,535,117 and net budget in the amount of \$83,341,487 for the Wastewater Budget, Rates and Requisition **BE APPROVED**;

6. That the proposed 2022 fixed wastewater requisition as shown in Table 5 of Report CSD 68-2021, based on 100% of the Region's net operating budget for the year and divided by 12 to determine the monthly charge, to be billed to each of the Local Area Municipalities starting January 1, 2022, apportioned based on their previous three year's average wastewater supply volumes, **BE APPROVED**;
7. That the 2022 wastewater monthly bills **INCLUDE** the reconciliation for the 2020 net requisition allocation based on actual wastewater flows versus the estimated flows, as shown in Table 6 of Report CSD 68-2021;
8. That the necessary by-laws **BE PREPARED** and **PRESENTED** to Council for consideration; and
9. That a copy of Report CSD 68-2021 **BE CIRCULATED** to the Local Area Municipalities.

A copy of Report CSD 68-2021 and By-laws 2021-90 and 2021-91 are enclosed for your information.

Yours truly,



Ann-Marie Norio
Regional Clerk

CLK-C 2021-181

Distribution List: H. Chamberlain, Director, Financial Management & Planning/Deputy Treasurer
 T. Harrison, Commissioner, Corporate Services/Treasurer
 K. Beach, Executive Assistant, Commissioner, Corporate Services

Subject: 2022 Budget-Water and Wastewater Operating Budget, Rate Setting and Requisition

Report to: Budget Review Committee of the Whole

Report date: Thursday, November 4, 2021

Recommendations

1. That the 2022 Water & Wastewater net operating base budget increase of \$2,508,401 (or 2%) for Operating plus \$3,950,509 (or 3.15%) for Capital Financing over the 2021 operating budget **BE APPROVED** in accordance with the Safe Drinking Water Act (SDWA) Financial Plan;
2. That the 2022 Water Operations gross operating budget of \$48,895,951 and net budget in the amount of \$48,517,726 for the Water Budget, Rates and Requisition **BE APPROVED**;
3. That the proposed fixed water requisition shown in Table 3 of Report CSD 68-2021, based on 25% of the Region's water net operating budget for the year and divided by 12 to determine the monthly charge, to be billed to each of the serviced Local Area Municipalities starting January 1, 2022, apportioned based on their previous three year's average water supply volumes, **BE APPROVED**;
4. That the Region's proposed 2022 variable water rate of \$0.636, shown in Table 4 of Report CSD 68-2021, to be effective January 1, 2022 and calculated by taking 75% of the Region's water net operating budget and dividing by the estimated supply volume, to be billed on a monthly basis to each serviced Local Area Municipality based on the previous month's metered flows, **BE APPROVED**;
5. That the 2022 Wastewater Operations gross operating budget of \$86,535,117 and net budget in the amount of \$83,341,487 for the Wastewater Budget, Rates and Requisition **BE APPROVED**;
6. That the proposed 2022 fixed wastewater requisition as shown in Table 5 of Report CSD 68-2021, based on 100% of the Region's net operating budget for the year and divided by 12 to determine the monthly charge, to be billed to each of the Local Area Municipalities starting January 1, 2022, apportioned based on their previous three year's average wastewater supply volumes, **BE APPROVED**;

7. That the 2022 wastewater monthly bills **INCLUDE** the reconciliation for the 2020 net requisition allocation based on actual wastewater flows versus the estimated flows, as shown in Table 6 of Report CSD 68-2021;
8. That the necessary by-laws **BE PREPARED** and **PRESENTED** to Council for consideration; and
9. That a copy of Report CSD 68-2021 **BE CIRCULATED** to the Local Area Municipalities.

Key Facts

- The proposed Water net budget represents a \$1.9 million increase, or 3.99% over 2021; the proposed Wastewater net budget represents a \$4.6 million increase, or 5.84% over 2021, for a combined Water & Wastewater Budget increase of 5.15% as shown in Table 1.
- Staff have reinstated the Safe Drinking Water Act (SDWA) Financial Plan annual increase of 5.15%, inclusive of enhanced capital financing of 3.15%, aligning with the 2022 Budget Planning Strategy.
- Incorporated in the base operating 2% increase for the 2022 operating budget is the additional requirement for debt servicing cost associated with the increased to the South Niagara Falls Wastewater treatment facility project. This has been accommodated with a reduction in the transfer to the capital reserve which will be re-established through future commitments to the 5.15% increase in accordance with the SDWA Financial Plan.
- The requisition methodology conforms to Councils approved cost recovery methodology from 2011, which was reaffirmed through report CSD 61-2015, on July 2, 2015. The methodology apportions to the LAMs water at 75% variable rate and 25% as a fixed component and wastewater 100% fixed.
- The proposed variable water rate is increased to \$0.636 (2021 = \$0.611) attributed to the budget increase with no projected change in water flows for 2022.

Financial Considerations

The Water and Wastewater Division's proposed 2022 net budget amount of \$131.9 million represents a \$6.5 million net increase or 5.15% (2% for base operating and 3.15% for enhanced capital financing) from the 2021 budget, as shown in Table 1. The total net cost related to the Wastewater program is \$83.3 million, representing a net increase of \$4.6 million, or 5.84% from 2021. The remaining \$48.5 million relates to the

Water program, which has increased by \$1.9 million, or 3.99% from 2021. The proposed gross budget and comparison to the 2021 net budget are outlined in Table 1.

Table 1 – Summary of Proposed Water and Wastewater Budget ('000)

Water & Wastewater 2022 Budget Summary	Water (\$)	Wastewater (\$)	Total (\$)
2021 Net Requisition	46,656	78,744	125,401
2022 Budget:			
Total Operating Expenses	22,704	50,043	72,747
Business Support	1,946	3,559	5,504
Reserve Transfer & Debt Charges	23,446	29,784	53,230
2022 Gross Budget Total - Before Enhanced Capital Financing	48,096	83,385	131,481
Enhanced Capital Financing (3.15%)	800	3,150	3,950
2022 Gross Budget Total	48,896	86,535	135,431
Less: Revenues	(354)	(3,110)	(3,464)
Less: COVID-19 Costs Funded from Reserve	(24)	(84)	(108)
2022 Net Requisition	48,518	83,341	131,859
Percentage Change	3.99%	5.84%	5.15%

Analysis

The 2022 Water and Wastewater budgets were developed giving consideration to historical results (2020 actuals, 2021 forecast), operational concerns, legislative compliance, standard operating procedures, impacts as a result of COVID-19 and cross-divisional and corporate business support costs. In Table 2, the increases/pressures identified for 2022 are \$3.1 million before recommended mitigation measures totaling \$0.6 million.

Table 2 – Summary of Proposed Water and Wastewater Budget with Pressures and Mitigations ('000)

Water & Wastewater 2022 Budget Summary	Water \$	Wastewater \$	Total \$	Total %
2021 Net Requisition	46,656	78,744	125,401	
Gross Increase/Pressures	1,086	1,981	3,067	
Base Subtotal	47,742	80,725	128,467	2.44%
Mitigations	0	(450)	(450)	
COVID-19 Costs Funded from Reserve	(24)	(84)	(108)	
Net Operating Increase	1,062	1,447	2,508	
Base Total	47,718	80,191	127,910	2.00%
Enhanced Capital Financing	800	3,150	3,950	3.15%
2022 Net Requisition	48,518	83,341	131,860	5.15%

Council previously adopted a 5.15% increase as per the SDWA financial plan. This has allowed for a budget increase of \$6.5 million overall of which only \$2.5 million or 2% being for operating with the remainder being allocated to capital financing. Based on the 2022 Budget Strategy, staff propose \$0.5 million or 0.36% in mitigation measures as outlined in Table 2. Given the largely fixed cost nature of the operations (i.e., chemicals, utilities, property tax, previously approved debt charges) staff needed to identify mitigations options within the very small budget of discretionary spending so not to impact the daily operations of the services. Of the total requisition amount of \$132M for 2022 approximately 94% of the total amount is fixed as it relates to treatment of water and wastewater and capital financing. The remaining 6% can be classified as discretionary expenditures that does not specifically relate to water/wastewater treatment (i.e., CSO grants, certain building maintenance such as snow removal and grass cutting). The proposed mitigations will decrease the net requisition increase from 5.59% or \$7.0 million to the budget planning strategy amount of 5.15% or \$6.5 million.

The increases/pressures to the budget of \$3.1 million are largely due to the following:

- \$1.0 million or 2% increase to the base capital financing budget of \$52.2 million.
- \$1.0 million net (Gross = \$2.0M) or 100% increase to reinstate CSO program that was funded from reserves in 2021 as part of COVID-19 mitigation measures.
- \$0.7 million or 15% increase for sludge/haulage for increased volumes due to compliance issues and annual contract rate.
- \$0.4 million or 2% increase to labour related costs. Wage and benefit pressures total \$0.3 million and the balance of \$0.1 million is to add back in the water wagon program (\$0.1 million) which was deferred in 2021. Student positions that were deferred in 2021 as part of COVID-19 mitigation measures will continue to

be deferred into 2022. The budget includes a request to convert 9 FTE from temporary to permanent. These funding for these positions has already been approved in prior year base budget at a total gross cost of \$0.8 million (net \$0.6 million after \$0.2 million allocation to capital).

- \$0.4 million or 7% increase to business support (i.e. facilities, finance, insurance, etc.)
- \$0.2 million or 48% reduction in repair and maintenance trunk sewer as a result of reduced spend in 2021.
- \$0.2 million or 2% reduction in electricity as a result of projected 2021 expenditures.

The mitigations of \$0.5 million are comprised of the following:

- \$0.5 million net (Gross = -\$0.9M) or 23% decrease to CSO program from annual level of \$4.0 million (\$2.0 million funded from the rate requisition and \$2.0 million funded from Development Charges) to \$3.1 million. The initial awarded CSO grants for 2021 was \$3.25 million of the \$4.0 million budget which aligns with the recommended budget for 2022.

Reserve Management - Capital/Infrastructure

The proposed 2022 budget adheres to the Council approved SDWA Financial Plan which proposed combined water/wastewater capital financing increase of 3.15% for 2022. The Budget Strategy recommended that the financial plan be reinstated for 2022 in order to address both the asset renewal backlog as well as the Region's annual funding gap of \$77 million (10 year Average Annual Renewal Investment – AARI) that had been identified in the 2017 Council approved comprehensive Asset Management Plan (AMP). The SDWA Financial Plan recommended annual increases to capital financing from 2019 to 2028. The projected annual capital financing contribution until 2028 have been included as Appendix 1 to this report. Appendix 1 also includes the target based on the 2017 AMP for comparison.

The transfer to reserve is being temporarily reduced to accommodate the new South Niagara Falls WWTP debt charges and operating costs budget within a 2% overall budget increase. However, until the plant is operational, this budget (placeholder) will continue to fund pay-as-you-go capital projects (in accordance with the Budget Planning By-law) to invest in critical infrastructure similar to the transfer to capital reserve.

South Niagara Falls Wastewater Treatment Facility

As identified in report PW 39-2020 – South Niagara Falls Update, the SNF WWTP capital projects required debt financing of \$3.8 million and annual operating costs of \$5.4 million which were accommodated in the base budget through a temporary reduction in the transfer to the WW capital reserve. As a result of PW 39-2021, the debt charges associated with the project were increased by an additional \$0.6 million due to revised capital project estimates which have also been accommodated through an additional temporary decrease in reserve contributions.

COVID-19 Impacts

Staff have identified \$0.1 million in COVID-19 related expenditures that will be funded from any remaining 2021 Safe Restart funding or Water and Wastewater stabilization reserves in the absence of external funding. These amounts primarily relate to enhanced cleaning and social distancing measures for Regional staff.

Fixed Water Requisition

As per Council's approved methodology, \$12,129,432 (25%) of the net Water budget will be recovered from fixed monthly requisitions to the local municipalities based on historical flows. The historical water flows and percentages utilized are included in Appendix 2 and 3. This annual amount based on the historical flows is then divided by 12 to determine the monthly charge to be billed to each of the services LAMs starting January 1, 2022. Also included as part of Appendix 2, is the annual impact on the fixed water requisition between 2021 and 2022 for each LAM. Table 3 summarizes the fixed amounts to be billed to each LAM based on the above methodology.

Table 3 – Fixed Water Requisition for 2022 Net Budget

Municipality	3-Year Avg. (%)	Allocation (\$)	Monthly (\$)
Fort Erie	7.48%	\$907,590	\$75,633
Grimsby	5.55%	\$672,776	\$56,065
Lincoln	4.37%	\$530,067	\$44,172
Niagara Falls	24.68%	\$2,993,791	\$249,483
Niagara-on-the-Lake	5.77%	\$699,367	\$58,281
Pelham	2.49%	\$301,906	\$25,159
Port Colborne	4.60%	\$558,477	\$46,540
St. Catharines	25.98%	\$3,151,522	\$262,627
Thorold	4.18%	\$507,327	\$42,277
Welland	13.04%	\$1,581,938	\$131,828
West Lincoln	1.85%	\$224,670	\$18,722
Total	100.00%	\$12,129,432	\$1,010,786

Variable Water Rate

The remaining \$36,388,295 (75%) will be charged through the variable rate. The recommended variable rate of \$0.636 per cubic metre as outlined in Table 4 is based on a water forecast using the past three year average flows plus an anticipated growth factor. Despite above average growth for the Region in recent years the flow estimates are still volatile and are dependent on weather conditions and most recently impacts related to COVID-19. The resulting estimate for 2022 is an overall volume consistent with the amount used for the 2021 budget. An overview of the water trends and related risk is outlined in more detail in Appendix 3. The proposed variable water rate increase is \$0.025 (4.0%) (2020 = \$0.611) which is attributed only to the budget increase. Any variation in water flows that result from COVID-19 will be mitigated at 2022 year-end with Safe Restart funding held in the taxpayer relief reserve if available.

Table 4 – Variable Water Rate for 2022 Net Budget

2022 Variable Water Rate	\$/Volume
Variable Allocation (75% x \$48,517,726)	\$36,388,295
2022 Water Flow Forecast (m ³)	57,250,000
Variable Rate (\$/m ³)	\$0.636

Wastewater Requisition

The wastewater net requisition is recovered 100% from fixed monthly requisitions to the local municipalities, apportioned based on the historical three year average flows. The annual amount is divided by twelve to determine the monthly charge to each of the serviced LAMs starting January 1, 2022. The historical wastewater flows and apportionments are included in Appendix 4 as well as the comparison of the fixed wastewater requisition amount between 2021 and 2022 for each LAM. Table 5 provides the fixed amounts to be billed to each LAM based on the above methodology.

Table 5 – Fixed wastewater Requisition for 2022 Net Budget

Municipality	3-Year Avg. (%)	Allocation (\$)	Monthly (\$)
Fort Erie	10.37%	\$8,645,876	\$720,490
Grimsby	4.00%	\$3,335,979	\$277,998
Lincoln	3.87%	\$3,222,926	\$268,577
Niagara Falls	18.21%	\$15,174,167	\$1,264,514
Niagara-on-the-Lake	3.91%	\$3,258,940	\$271,578
Pelham	1.88%	\$1,566,779	\$130,565
Port Colborne	5.90%	\$4,920,879	\$410,073
St. Catharines	29.34%	\$24,454,734	\$2,037,894
Thorold	5.84%	\$4,869,086	\$405,757
Welland	14.88%	\$12,404,268	\$1,033,689
West Lincoln	1.79%	\$1,487,851	\$123,988
Total	100.00%	\$83,341,487	\$6,945,124

As per Council's approved cost recovery methodology, the 2022 monthly Wastewater charges will include reconciliation of the 2020 Wastewater requisition payments. Municipal 2020 rebates or charges will be based on their respective share of actual flows versus the estimated share used to initially allocate the 2020 charges. This reconciliation results in a total of \$2,596,581 in payments to, and \$2,596,581 in rebates from, the local municipalities. Tables outlining the calculation of the reconciliation have been included as Appendix 5, and the total charge including the 2022 requisition and 2020 reconciliation by local municipality has been included as Appendix 6.

Table 6 – Wastewater Reconciliation for 2020 included in 2022 Requisition

Municipality	Reconciliation (\$)	Monthly Rebate (\$)	Monthly Payment (\$)
Fort Erie	100,828	0	8,402
Grimsby	(851,170)	(70,931)	0
Lincoln	90,646	0	7,554
Niagara Falls	(1,579,048)	(131,587)	0
Niagara-on-the-Lake	(166,363)	(13,864)	0
Pelham	119,823	0	9,985
Port Colborne	46,516	0	3,876
St. Catharines	996,145	0	83,012
Thorold	614,024	0	51,169
Welland	419,680	0	34,973
West Lincoln	208,919	0	17,410
Total	0	(216,382)	216,382

Risks & Opportunities

- Water/wastewater flows are weather dependant and therefore subject to fluctuations that are outside the Region's control.
- COVID-19 has also caused reductions in water flows. Any variation in water flows as a result of COVID-19 will be offset at year-end 2022 with Safe Restart funding (taxpayer relief reserve).
- Unanticipated equipment and underground infrastructure failure may impact operating expenditures.

Alternatives Reviewed

None.

Relationship to Council Strategic Priorities

The 2022 Water and Wastewater proposed budgets support Council's strategic priorities of organizational excellence, by meeting or exceeding legislative requirements and having 42% of the total program costs related to infrastructure renewal and replacement.

Other Pertinent Reports

PW 4-2019	Safe Drinking Water Act Financial Plan
PW 39-2020	South Niagara Falls WWTP Update
PW 39-2021	South Niagara Falls Wastewater Treatment Plant - Budget and Property

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Appendices

Appendix 1	Forecasted Water and Wastewater Capital Financing
Appendix 2	Water Flows and Fixed Water Requisition by Local Area Municipality
Appendix 3	Water Volume Analysis
Appendix 4	Wastewater Flows and Fixed Wastewater Requisition by Local Area Municipality
Appendix 5	2020 By-law Wastewater Reconciliation
Appendix 6	Fixed Wastewater Requisition including Reconciliation by Local Area Municipality
Appendix 7	2022 Water and Wastewater Schedule of Revenues and Expenditures by Object of Expenditure

Forecasted Water and Wastewater Capital Financing (\$Millions)

Capital Financing (\$M)	2021	2022	2023	2024	2025	2026	2027	2028	Target Balance
Water	\$23	\$24	\$24	\$24	\$25	\$27	\$28	\$30	\$38
Wastewater	\$29	\$33	\$36	\$39	\$48	\$50	\$55	\$60	\$97
Total	\$52	\$57	\$59	\$63	\$74	\$76	\$83	\$90	\$135

Water Flows and Fixed Water Requisition by Local Area Municipality

Table 1 - Water Flows by Municipality

Municipality	3-Year Avg. per 2021 By- law (ML)	3-Year Avg. per 2021 By- law (\$)	3-Year Avg. per 2022 By- law (ML)	3-Year Avg. per 2022 By- law (\$)
Fort Erie	4,308	7.58%	4,130	7.48%
Grimsby	3,106	5.46%	3,061	5.55%
Lincoln	2,365	4.16%	2,412	4.37%
Niagara Falls	14,370	25.27%	13,623	24.68%
Niagara-on-the-Lake	3,259	5.73%	3,182	5.77%
Pelham	1,278	2.25%	1,374	2.49%
Port Colborne	2,873	5.05%	2,541	4.60%
St. Catharines	15,099	26.55%	14,340	25.98%
Thorold	2,152	3.78%	2,308	4.18%
Welland	7,062	12.42%	7,198	13.04%
West Lincoln	988	1.74%	1,022	1.85%
Total	56,860	100%	55,193	100%

Table 2 - Fixed Water Requisition by Municipality

Municipality	2021 (\$000)	2022 (\$000)	Difference (\$000)	Difference (%)
Fort Erie	884	908	24	2.69%
Grimsby	637	673	36	5.59%
Lincoln	485	530	45	9.25%
Niagara Falls	2,948	2,994	46	1.56%
Niagara-on-the-Lake	669	699	31	4.60%
Pelham	262	302	40	15.19%
Port Colborne	589	558	(31)	-5.25%
St. Catharines	3,097	3,152	54	1.75%
Thorold	441	507	66	14.94%
Welland	1,449	1,582	133	9.20%
West Lincoln	203	225	22	10.81%
Total	11,664	12,129	465	3.99%

Water Volume Analysis

Flows in ML	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Projected Flows for Rate Setting	59,067	59,067	58,613	57,000	57,000	57,000	57,250	57,250	57,250	57,250
Actual Flows	56,896	56,474	57,622	58,800	56,986	58,491	55,458	55,517	56,211	N/A
Variance	-2,171	-2,593	-991	1,800	-14	1,491	-1,792	-1,733	-1,039	N/A

The 2021 actual flows are estimated to finish the year approximately 1.8% lower than projected flows. The water usage in 2021 is estimated to total 56,211 ML.

The water volume forecast for 2022 has been prepared giving consideration to historical and current trends and has not resulted in a proposed change from 2021.

The volume forecast for 2022 is above the 3-year and 5-year calendar average of 55,729 ML and 56,533 ML, respectively. 2018 flows represent more typical summer weather years. 2016 experienced drought conditions during the summer. 2017 and 2019 experienced very wet summers. The 2020 and 2021 flows are impacted by a dry summer and COVID-19 shutdowns. The 2022 estimate reflects no change over previous year's projection. COVID-19 volatility may continue into 2022. Any variation in flow as a result of COVID-19 that has a negative impact on variable water revenue will be mitigated with reserves/Provincial funding if available.

Variation in water flows may also be experienced as a result of: capital repairs to address water loss at Region and Local levels, growth in user base, and increased conservation efforts.

Wastewater Flows and Fixed Requisition By Local Area Municipality

Table 1 - Wastewater Flows by Municipality

Municipality	3-Year Avg. per 2021 By- law (ML)	3-Year Avg. per 2021 By- law (%)	3-Year Avg. per 2022 By- law (ML)	3-Year Avg. per 2022 By- law (%)
Fort Erie	7,712	10.25%	7,436	10.37%
Grimsby	3,308	4.40%	2,869	4.00%
Lincoln	2,892	3.84%	2,772	3.87%
Niagara Falls	14,069	18.70%	13,051	18.21%
Niagara-on-the-Lake	3,050	4.06%	2,803	3.91%
Pelham	1,378	1.83%	1,348	1.88%
Port Colborne	4,590	6.10%	4,232	5.90%
St. Catharines	21,966	29.20%	21,033	29.34%
Thorold	3,987	5.30%	4,188	5.84%
Welland	10,962	14.57%	10,669	14.88%
West Lincoln	1,303	1.73%	1,280	1.79%
Total	75,218	100%	71,680	100%

Table 2 - Fixed Wastewater Requisition by Municipality

Municipality	2021 (\$000)	2022 (\$000)	Difference (\$000)	Difference (%) ¹
Fort Erie	8,074	8,646	572	7.09%
Grimsby	3,463	3,336	(127)	-3.68%
Lincoln	3,027	3,223	196	6.46%
Niagara Falls	14,729	15,174	445	3.02%
Niagara-on-the-Lake	3,193	3,259	66	2.06%
Pelham	1,443	1,567	124	8.61%
Port Colborne	4,805	4,921	116	2.41%
St. Catharines	22,996	24,455	1,459	6.34%
Thorold	4,173	4,869	696	16.67%
Welland	11,476	12,404	928	8.09%
West Lincoln	1,364	1,488	124	9.06%
Total	78,744	83,341	4,597	5.84%

Note:

(1) Municipalities with increases above the average are generally the municipalities that have the highest assessment growth, meaning that average impact to be expected by the average user will be less than the percentage change noted in the requisition due to the relative increase in the number of users (i.e., properties).

2020 By-law Wastewater Reconciliation

Table 1 - Wastewater Flows by Municipality

Municipality	Prior 3 yr. Avg.	2020 By-Law Period Actual Flows ¹
Fort Erie	7,931	7,319
Grimsby	3,688	2,596
Lincoln	2,907	2,731
Niagara Falls	14,901	12,162
Niagara-on-the-Lake	3,141	2,713
Pelham	1,360	1,347
Port Colborne	4,480	4,125
St. Catharines	21,608	20,590
Thorold	3,845	4,056
Welland	10,858	10,273
West Lincoln	1,220	1,300
Total	75,939	69,213

Table 2 - Wastewater Fixed Allocation Percentages

Municipality	Prior 3-Yr Avg	2020 By-Law Period Actual Flows ¹	Difference
Fort Erie	10.4%	10.6%	0.1%
Grimsby	4.9%	3.8%	-1.1%
Lincoln	3.8%	3.9%	0.1%
Niagara Falls	19.6%	17.6%	-2.0%
Niagara-on-the-Lake	4.1%	3.9%	-0.2%
Pelham	1.8%	1.9%	0.2%
Port Colborne	5.9%	6.0%	0.1%
St. Catharines	28.5%	29.7%	1.3%
Thorold	5.1%	5.9%	0.8%
Welland	14.3%	14.8%	0.5%
West Lincoln	1.6%	1.9%	0.3%
Total	100.0%	100.0%	0.0%

Table 3 - Wastewater Fixed Allocation Charge Reconciliation (\$000)

Municipality	Prior 3-Yr Avg Billed ^{1,2}	2020 By-Law Period Actual Flows ¹	Underpayment/ (Overpayment) ³
Fort Erie	\$ 8,044	\$ 8,145	\$ 101
Grimsby	3,740	2,889	(851)
Lincoln	2,949	3,039	91
Niagara Falls	15,114	13,534	(1,579)
Niagara-on-the-Lake	3,185	3,019	(166)
Pelham	1,379	1,499	120
Port Colborne	4,544	4,591	47
St. Catharines	21,916	22,912	996
Thorold	3,900	4,514	614
Welland	11,012	11,432	420
West Lincoln	1,238	1,446	209
Total	\$ 77,021	\$ 77,021	\$ (0)

Sum of Overpayment: (2,597)
Percentage of Requisition 3.37%

Notes:

1. 2020 By-Law period consists of the 12 month period from January 2020 to December 2020.
2. Charges paid excluded payments made/rebates received for 2018 reconciliation.
3. Underpayments/(Overpayments) based on comparing 2 difference allocation methodologies (3-yr average vs. actual flows during By-law period).

Fixed Wastewater Requisition Including Reconciliation by Municipality Comparison

Municipality	Requisition 2021 By-law (\$000)	Requisition 2022 By-law (\$000)	Reconciliation 2021 By-law (2019 Rec.) (\$000)	Reconciliation 2022 By-law (2020 Rec.) (\$000)	Total Charge 2021 By-law (\$000)	Total Charge 2022 By-law (\$000)	Difference (\$000)	Difference (%)
Fort Erie	8,074	8,646	(299)	101	7,775	8,747	972	12.50%
Grimsby	3,463	3,336	(246)	(851)	3,217	2,485	(732)	-22.76%
Lincoln	3,027	3,223	(65)	91	2,962	3,314	352	11.87%
Niagara Falls	14,729	15,174	(1,272)	(1,579)	13,457	13,595	138	1.03%
Niagara-on-the-Lake	3,193	3,259	63	(166)	3,256	3,093	(163)	-5.01%
Pelham	1,443	1,567	(62)	120	1,381	1,687	306	22.17%
Port Colborne	4,805	4,921	382	47	5,187	4,967	(220)	-4.24%
St. Catharines	22,996	24,455	662	996	23,658	25,451	1,793	7.58%
Thorold	4,173	4,869	451	614	4,624	5,483	859	18.57%
Welland	11,476	12,404	311	420	11,787	12,824	1,037	8.80%
West Lincoln	1,364	1,488	77	209	1,441	1,697	256	17.75%
Total	78,744	83,341	-	-	78,744	83,341	4,597	5.84%

2022 Water and Wastewater Schedule of Revenues and Expenditures by Object of Expenditure

Object of Expenditure	2021 Water Budget Total (\$)	2021 Wastewater Budget Total (\$)	2021 Combined Total (\$)	2022 Water Budget Total (\$)	2022 Wastewater Budget Total (\$)	2022 Combined Total (\$)	Combined Total Variance (\$)	Total Combined Variance (%)	Note
A_40000AB Compensation	7,672,587	10,588,464	18,261,051	7,815,034	10,784,552	18,599,586	338,535	1.9%	(1)
A_41000AB Administrative	488,996	1,084,905	1,573,901	461,076	1,114,395	1,575,471	1,570	0.1%	
A_44000AB Operational & Supply	2,078,986	11,499,124	13,578,110	2,227,801	12,166,665	14,394,466	816,356	6.0%	(2)
A_50000AB Occupancy & Infrastructure	5,999,040	12,032,768	18,031,808	5,915,009	11,831,987	17,746,996	(284,812)	(1.6%)	(3) (4)
A_52000AB Equipment, Vehicles, Technology	1,157,143	3,129,063	4,286,206	1,182,143	3,153,063	4,335,206	49,000	1.1%	
A_56000AB Partnership, Rebate, Exemption	10,000	4,000,000	4,010,000	50,000	3,100,000	3,150,000	(860,000)	(21.4%)	(5)
A_75100AC Transfers To Funds	20,698,764	16,539,843	37,238,607	22,147,810	18,462,196	40,610,006	3,371,399	9.1%	(6)
A_60000AC Allocation Between Departments	613,820	914,836	1,528,656	698,777	970,068	1,668,845	140,189	9.2%	
A_60260AC Allocation Within Departments	4,204,378	6,664,251	10,868,629	4,354,096	6,922,083	11,276,179	407,550	3.7%	
Gross Expenditure Subtotal	42,923,714	66,453,254	109,376,968	44,851,746	68,505,009	113,356,755	3,979,787	3.6%	
A_30000AB Taxation	(46,656,371)	(78,744,319)	(125,400,690)	(48,517,726)	(83,341,487)	(131,859,213)	(6,458,523)	5.2%	
A_32400AB By-Law Charges & Sales	(12,000)	(1,505,443)	(1,517,443)	(12,000)	(1,527,090)	(1,539,090)	(21,647)	1.4%	
A_34950AB Other Revenue	(339,663)	(2,066,894)	(2,406,557)	(342,025)	(1,582,940)	(1,924,965)	481,592	(20.0%)	(5)
A_75000AC Transfers From Funds	(30,950)	(92,900)	(123,850)	(24,200)	(83,600)	(107,800)	16,050	0.0%	
Gross Revenue Subtotal	(47,038,984)	(82,409,556)	(129,448,540)	(48,895,951)	(86,535,117)	(135,431,068)	(5,982,528)	4.6%	
Net Expenditure (revenue) before indirect allocations	(4,115,270)	(15,956,302)	(20,071,572)	(4,044,205)	(18,030,108)	(22,074,313)	(2,002,741)	10.0%	
A_70000AC Indirect Allocation	1,766,598	3,205,914	4,972,511	1,817,936	3,600,142	5,418,078	445,566	9.0%	(7)
A_70200AC Capital Financing Allocation	2,348,673	12,750,389	15,099,061	2,226,269	14,429,967	16,656,236	1,557,174	10.3%	(6)
Allocation Subtotal	4,115,270	15,956,302	20,071,572	4,044,205	18,030,108	22,074,313	2,002,741	10.0%	
Net Expenditure (revenue) after indirect allocations	0	0	0	0	0	0	0	0	

Notes:

- (1) Includes compensation pressure which represents base compensation changes and reintroduction of the water wagon program which was deferred in 2021 which are partially offset by student position deferral for 2022 totaling \$0.4M.
- (2) Includes pressures related sludge and sludge haulage of \$0.7M.
- (3) Includes reduction in R&M Repairs Trunk Sewer of \$(0.2M).
- (4) Includes reduction in electricity of \$(0.2M).
- (5) Includes \$0.9M gross deferral of the 2022 CSO funding of which \$(0.5M) relates to the requisition. Corresponding decrease in Development Charge revenue of \$(0.5M).
- (6) Includes base capital financing increase of \$1.0M, enhanced capital financing of \$4.0M and impacts of SNF WWTP with net impact of \$0.
- (7) Includes pressure related to business support/department allocation (i.e., self supported operations) of \$0.4M.

THE REGIONAL MUNICIPALITY OF NIAGARA

BY-LAW NO. 2021-90

A BY-LAW TO ADOPT THE 2021 WATER BUDGET AND
TO SET THE REQUISITION TO BE CHARGED FOR
WATER SUPPLIED TO LOWER-TIER MUNICIPALITIES
FOR THE PERIOD JANUARY 1, 2022 TO DECEMBER 31,
2022

WHEREAS Section 11 of the Municipal Act, 2001, S.O. 2001, c.25, provides that a municipality may pass by-laws respecting services and things that the municipality is authorized to provide;

WHEREAS section 390 of the Municipal Act, 2001, S.O. 2001, c.25, provides that the definition of a person includes a municipality;

WHEREAS section 391 of the Municipal Act, 2001, S.O. 2001, c.25, provides that a municipality is authorized to impose fees or charges on persons for costs payable by it for services or activities provided or done by or on behalf of any other municipality; and

WHEREAS water supplied to the lower-tier municipalities is a service provided by the Regional Municipality of Niagara on behalf of the lower-tier municipalities within the Niagara Region.

NOW THEREFORE the Council of The Regional Municipality of Niagara enacts as follows:

1. That the 2022 Water Gross Operating Budget of 48,895,951 and Net Operating Budget of \$48,517,726 be and hereby is adopted.
2. That 75% of the Net Operating Budget, \$36,388,295 be recovered from the lower-tier municipalities based on actual metered water flows multiplied by the Region's annually set uniform water rate.
3. That the rate payable by the lower-tier municipalities for treated water supplied by the Regional Waterworks system shall be established at \$0.636 for every cubic meter supplied to each lower-tier municipality for the period of January 1, 2022 to December 31, 2022.
4. That 25% of the Net Operating Budget, \$12,129,432 be apportioned to the lower-tier municipalities based on their proportionate share of the Region's total three year average historical flows.

5. That the lower-tier municipalities be requisitioned during the period January 1, 2022 to December 31, 2022 as follows:

Municipality	3-Year Avg. (%)	Allocation (\$)	Monthly (\$)
Fort Erie	7.48%	\$907,590	\$75,633
Grimsby	5.55%	\$672,776	\$56,065
Lincoln	4.37%	\$530,067	\$44,172
Niagara Falls	24.68%	\$2,993,791	\$249,483
Niagara-on-the-Lake	5.77%	\$699,367	\$58,281
Pelham	2.49%	\$301,906	\$25,159
Port Colborne	4.60%	\$558,477	\$46,540
St. Catharines	25.98%	\$3,151,522	\$262,627
Thorold	4.18%	\$507,327	\$42,277
Welland	13.04%	\$1,581,938	\$131,828
West Lincoln	1.85%	\$224,670	\$18,722
Total	100.00%	\$12,129,432	\$1,010,786

6. That the Treasurer of the Regional Corporation shall submit similar invoices on or before the 15th day of each month commencing February 15, 2022 for the monthly requisition. Such monthly invoices shall continue thereafter until the December monthly requisition has been invoiced. Each lower-tier municipality shall remit the amount of each such invoices to the Treasurer of the Regional Corporation on or before the last business date of the month in which such invoice is submitted.
7. That in the event of default of payment of any monies payable under this by-law by a lower-tier municipality, interest at the rate of 15 per cent per annum shall be added to the amount in arrears from the date of default until the date of payment thereof.
8. That this by-law shall come into force and effect on January 1, 2022.

THE REGIONAL MUNICIPALITY OF NIAGARA


James Bradley, Regional Chair


Ann-Marie Norio, Regional Clerk

Passed: November 18, 2021

THE REGIONAL MUNICIPALITY OF NIAGARA

BY-LAW NO. 2021-91

A BY-LAW TO SET THE REQUISITIONS TO BE CHARGED
FOR WASTEWATER RECEIVED FROM THE LOWER –
TIER MUNICIPALITIES FOR THE PERIOD OF JANUARY
1, 2022 TO DECEMBER 31, 2022

WHEREAS section 11 of the *Municipal Act, 2001*, S.O. 2001, c.25, provides that a municipality may pass by-laws respecting services and things that the municipality is authorized to provide;

WHEREAS section 390 of the *Municipal Act, 2001*, S.O. 2001, c.25, provides that the definition of a person includes a municipality;

WHEREAS section 391 of the *Municipal Act, 2001*, S.O. 2001, c.25, provides that a municipality is authorized to impose fees or charges on persons for costs payable by it for services or activities provided or done by or on behalf of any other municipality,

WHEREAS wastewater received from the lower-tier municipalities is a service provided by the Regional Municipality of Niagara on behalf of the lower-tier municipalities within the Niagara Region; and

WHEREAS the Council of the Regional Municipality of Niagara passed By-Law No. 119-2011 which indicated that, consistent with the wastewater reconciliation methodology described in PWA 87-2011, a reconciliation adjustment will commence with the 2013 Budget.

NOW THEREFORE the Council of The Regional Municipality of Niagara enacts as follows:

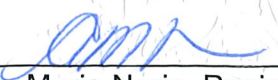
1. That the 2022 Wastewater Gross Operating Budget of \$86,535,117 and Net Operating Budget of \$83,341,487 be and hereby is adopted.
2. That the 2022 budgeted net wastewater operating budget be apportioned to the lower-tier municipalities based on their proportionate share of the Region's total three year average historical wastewater flows.
3. That the 2022 wastewater bills also include reconciliation of the 2020 net requisition allocated based on actual wastewater flows versus the estimated flows.
4. That the lower-tier municipalities be requisitioned during the period January 1, 2022 to December 31, 2022 as follows:

Municipality	2022 Net Budget Allocation (\$)	2020 Reconciliation (\$)	Total (\$)	Monthly (\$)
Fort Erie	8,645,876	100,828	8,746,704	728,892
Grimsby	3,335,979	(851,170)	2,484,809	207,067
Lincoln	3,222,926	90,646	3,313,571	276,131
Niagara Falls	15,174,167	(1,579,048)	13,595,119	1,132,927
Niagara-on-the-Lake	3,258,940	(166,363)	3,092,577	257,715
Pelham	1,566,779	119,823	1,686,603	140,550
Port Colborne	4,920,879	46,516	4,967,395	413,950
St. Catharines	24,454,734	996,145	25,450,879	2,120,907
Thorold	4,869,086	614,024	5,483,110	456,926
Welland	12,404,268	419,680	12,823,948	1,068,662
West Lincoln	1,487,851	208,919	1,696,771	141,398
Total	83,341,487	-	83,341,487	6,945,125

5. That the Treasurer of the Regional Corporation shall submit similar invoices on or before the 15th day of each month commencing February 15, 2022 for the monthly requisition. Such monthly invoices shall continue thereafter until December monthly requisition has been invoiced. Each lower-tier municipality shall remit the amount on each such invoice to the Treasurer of the Regional Corporation on or before the last business day of the month in which such invoice is submitted.
6. That in the event of default of payment of any monies payable under this by-law by the lower-tier municipality, interest at the rate of 15 per cent per annum shall be added to the amount in arrears from the date of default until the date of payment thereof.
7. That this by-law shall come into force and effect on January 1, 2022

THE REGIONAL MUNICIPALITY OF NIAGARA


James Bradley, Regional Chair


Ann-Marie Norio, Regional Clerk

Passed: November 18, 2021

Dear City of Port Colborne Council:

On behalf of CUPE Ontario's nearly 125,000 active members of the Ontario Municipal Employees Retirement System (OMERS), I am writing today to express our serious concerns with OMERS' investment performance.

In 2020, OMERS posted a net loss 2.7%, representing three billion dollars in losses. This was during a year that comparable defined benefit pension plans and funds in Canada posted substantial investment gains. CUPE Ontario investigated further and tracked investment returns at OMERS for ten years. We found that OMERS has underperformed relative to other large pension plans and funds, as well as relative to its own benchmarks. We also found that OMERS no longer shares this critical information in their annual reporting, making it difficult for plan members to hold their investment managers accountable.

Attached you will find a report detailing OMERS investment underperformance. Also attached, you will find the analysis of a third-party actuary (PBI Actuarial consultants) who confirmed that our reasoning and conclusions were sound.

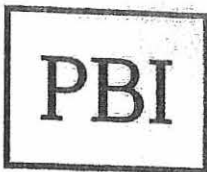
CUPE Ontario believes plan members and employers have the right to know why OMERS' investments have, over a ten-year period, underperformed other large defined benefit pension plans and funds. If OMERS had performed in line with the average large Canadian public pension plan, it would have a substantial, multi-billion-dollar surplus, versus the deficit it currently faces.

Considering the significant impact such underperformance could have on plan members and on all sponsors who hold the liabilities of the plan, **we are calling on OMERS to cooperate fully with an independent and transparent third-party review of its investment performance** transparent and accountable to plan members, sponsors like CUPE Ontario, other unions, and employers like the City of Port Colborne.

We are hoping that the City of Port Colborne Council will join our call for an independent expert review of OMERS. **We are asking you, and other municipal councils across the province, to debate the following motion or to pass a similar motion calling for a third-party expert review of OMERS.** The terms of such a review would need to be agreed upon by sponsors and they could explore whether reasonable costs could be funded from the plan.

Proposed Motion – Independent Review of OMERS' Investment Performance

1. The City of Port Colborne Council is calling for an immediate, comprehensive and independent third-party expert review of OMERS' investment performance and practices over the past ten years, conducted by the OMERS Pension Plan's sponsors and stakeholders.
2. Such a review would, at a minimum:
 - a. Compare OMERS plan-level, and asset class-level performance to other comparable defined benefit pension plans and funds, OMERS internal benchmarks, and market-based benchmarks.
 - b. Examine OMERS decision-making processes around the timing of various investment decisions.
 - c. Assess the risk management policies and protocols that were in place and determine if they were followed and/or if they were sufficient to protect the plan from undue risk.
 - d. Assess whether the disclosures provided to the OMERS Administrative and Sponsorship Boards were sufficient evidence to allow the Boards to respond appropriately and in a timely manner.
 - e. Examine executive compensation, investment fees and investment costs at OMERS in comparison to other major defined benefit pension plans and funds.
 - f. Examine other relevant issues identified by the third-party expert review.
 - g. Make recommendations for changes at OMERS to ensure stronger returns moving forward.
 - h. Issue their final report and recommendations in a timely manner.
 - i. Publicly release its full report and recommendations to ensure that it is available to OMERS sponsors, stakeholders, and plan members.
3. The City of Port Colborne Council further calls on the OMERS Administrative Corporation to:
 - a. Provide all requested data, documentation and information required of the review panel to fulfill its mandate.
 - b. Establish a step-by-step plan, with OMERS sponsors and stakeholders, to implement any recommendations set out in the review report.



April 27, 2021

To: Fred Hahn, President CUPE Ontario
CUPE Ontario

From: Bradley Hough

Subject: **OMERS Performance Review**

Scope of review

CUPE has asked PBI to review "CUPE Ontario Concerns With OMERS Investment Returns". PBI has reviewed the performance data, methods, and comparisons of OMERS with peer pension plans and funds in CUPE's report.

The intention of our review is to determine:

- a) if comparisons made between the pension plans and funds and their respective benchmarks are reasonable; and
- b) if the analysis completed by CUPE supports the conclusions of their report.

We have reviewed the performance comparisons in CUPE's report by reviewing public information provided by the plans and funds referenced. Statements of investment policies and procedures, actuarial valuation reports, annual reports and other governance documents were reviewed to add as much context around plan performance as possible with the public information available.

Summary

We conclude that the comparisons made by CUPE are reasonable and show that there is a significant gap in performance between OMERS and other comparable public pension plans and funds. In our opinion, public information is unable to fully explain the performance gap. More information is required to truly understand why performance is so different between OMERS and comparable public pension plans and funds.

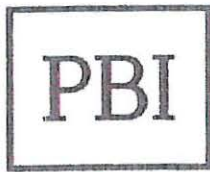
In our opinion, the comparisons and analysis in the report support CUPE's request for further review of performance.

Review

Is the choice of peer universe reasonable?

CUPE has chosen a universe of large public sector defined benefit plans ("plans"), or public sector investment managers managing assets ("funds") including, but not exclusively, defined benefit pension plans. Scale gives public plans and funds a different opportunity set versus smaller private sector plans as a result of the size of assets and also investment opportunities. We therefore believe that CUPE's approach of focusing on a limited universe of public sector peers rather than a broader pension plan universe is reasonable and fair.

Of the universe supplied, HOOPP, OTPP, BCMPP and LAPP are easier to directly compare given they are pension plans rather than funds; however, the public sector investment managers referenced by CUPE are still useful



points of reference when looking at comparable performance. Performance of funds such as PSP, CDPQ, BCI and AIMCO suggests that client defined benefit plans are likely to have higher absolute returns than OMERS for 2020.

LAPP and AIMCO have not published full performance information for 2020.

Would conclusions change if the universe of plans was expanded?

Defined benefit plans have different benefits, contributions, funding policies, and member demographics. Making comparisons across universes of defined benefit plans requires caution and it is difficult to draw firm conclusions. However, it is worth noting that OMERS performance is significantly below not only public peers, but wider universes of defined benefit plans.

RBC's universe of pension plans shows a median return of 9.2% for 2020¹. PBI has access to the Northern Trust universe of Canadian defined benefit pension plans² and note that the median return is similar to RBC (full year 2020 median return is 9.9%). The lowest return in the Northern Trust Universe is 5% for 2020. We are not aware of an absolute return for PBI clients below 5%.

Could 'context' such as different asset mixes driven by Plan demographics or situation explain OMERS performance?

a. Asset Mix

We compared asset mixes with HOOPP, BCMPP and OTPP. HOOPP has a liability driven investment strategy and has a higher fixed income allocation. BCMPP and OTPP are return focused like OMERS. OMERS has a higher proportion in real assets and credit than these plans and lower fixed income assets. OTPP has a specific inflation management strategy. However, at a high level, asset allocations between OMERS, BCMPP and OTPP make use of similar asset classes and are comparable.

Asset Class	OMERS	BCMPP	OTPP	HOOPP
Public Equity	31%	33%	19%	23%
Fixed Income	6%	21%	16%	86%
Private Equity	14%	10%	19%	13%
Real Assets	34%	27%	21%	15%
Credit/Mortgages	17%	6%	8%	0%
Inflation Sensitive	0%	0%	17%	0%
Innovation	0%	0%	2%	0%
Absolute Return Strategies	0%	0%	6%	0%
Money Market	-2%	2%	-8%	-37%

Source: annual reports as of December 31, 2020, except for BCMPP, which is as of December 31, 2019.

¹ The RBC pension plan universe is published by RBC Investor and Treasury Services. "All Plan Universe" currently tracks the performance and asset allocation of a cross-section of assets under management across Canadian defined benefit pension plans.

² The Northern Trust universe of defined benefit plans is provided to PBI by Northern Trust. It consists of 34 defined benefit plans ranging from \$16.4M to \$8.7B in size. Average plan assets are \$1.9B, median plan assets are \$627M as of December 31, 2020.



As the differences in performance are so large between OMERS and two plans with comparable asset mixes (albeit with some differences), more information on specific strategies within each asset class, such as style of equity manager, exposure to office, retail, and industrial real estate within real assets, use of leverage/overlay strategies and derivatives, currency hedging, and approach to liquidity management would be required to explain differences in performance.

We note that on page 43 of the OMERS 2020 Annual Report, losses were incurred on foreign currency hedging positions due to actions taken to protect liquidity. This contributed \$2.2B to the overall loss. Again, this indicates that a review, significantly beyond simple asset mix comparisons, is required to truly understand performance differentials.

Finally, understanding the role of the 'Total Portfolio Management' approach in determining asset allocations and strategies would be helpful to putting context around the asset mix choices and investment strategies.

b. Membership Demographics

We note that BCMPP and HOOPP have broadly similar membership demographics to OMERS. OTPP is more mature with a greater proportion of retirees. PBI does not believe plan demographics are different enough to render comparisons between the plans invalid.

Comments on CUPE's five principal findings:

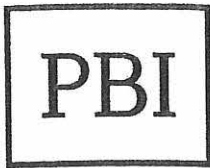
- 1) **OMERS 10-year annualized performance was below peer group as of December 31, 2019.** PBI believes the comparisons made are reasonable and agree with the conclusion.
- 2) **OMERS performance in 2020 was significantly below peers.** PBI agrees with this conclusion and notes that expanding the peer group adds weight to this conclusion.
- 3) **OMERS does not report comparisons of its annualized long-term returns to its own benchmarks**
Page 143 of the 2020 report has a comparison of calendar year returns vs benchmarks to 2011. We could not find a comparison of annualized long term performance vs benchmarks for OMERS.

We understand benchmarks are set annually by OMERS and approved by the Administration Corporation Board. From the information made public by OMERS, we would need more detail on the methodology used to derive the absolute return benchmark to interpret performance.

- 4) **5 to 10-year returns versus 5 to 10-year benchmarks.**

PBI verified the calendar year returns shown by CUPE. We were unable independently to verify the 5 and 10-year performance versus the benchmark as this was provided verbally to CUPE by OMERS and is not published. The peer group of public plans and funds all take different approaches to benchmarking. Some use composites of public market indices/asset class benchmarks according to their target allocations. PSP uses a reference portfolio approach and HOOPP may use a liability focused benchmark. We note that comparisons of relative performance vs stated benchmarks across peer group plans are challenging because of the differences in methodology.

However, in our opinion the analysis is sufficient to show that OMERS is the only Plan underperforming their internal benchmark over a 10-year horizon. Understanding why requires a deeper understanding



of performance and benchmarking methodology beyond the information made public. In our opinion this adds weight to CUPE's request for a review of performance.

- 5) **OMERS 20-year return is not above its 20-year benchmark.** We were unable to independently verify this point as the performance versus the benchmark was provided verbally to CUPE by OMERS and is not publicly available.

Conclusions

The comparisons made by CUPE are high level and broad by the nature of information made public. However, we believe the comparisons are reasonable and that CUPE has chosen similar public plans and funds as practically possible. Overall, we believe the analysis is sufficient to conclude that OMERS investment performance in 2020 and longer term is significantly lower than other comparable plans.

PBI would require considerably more information than made public on OMERS' total portfolio management approach, investment strategies, third party managers, asset mix policies, liquidity management approach and derivative positions to interpret performance.

In our opinion, the comparisons made demonstrate that the longer-term performance gap between comparable peers is significant and supports CUPE's request for a further, more detailed review of performance beyond the information made public.

Bradley Hough, FIA, ACIA, CAIA

BH:jh

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NOT JUST ONE "TOUGH YEAR": THE NEED FOR A REVIEW OF OMERS INVESTMENT PERFORMANCE

May 2021



**HAD OMERS
ACHIEVED
THESE BETTER
RESULTS,
THE PLAN
WOULD NOW
HOLD A VERY
SUBSTANTIAL
SURPLUS.**

The impact on OMERS of these longer-term below-benchmark returns has been significant. The difference of 0.6% between OMERS actual annualized 10-year investment returns of 6.7% and its benchmark of 7.3% has meant an absolute return outcome that would have been roughly 6% higher after these 10 years (all other factors being equal). Even achieving just this benchmark return on an annualized 10 year basis would have resulted in an asset base of roughly \$6 billion higher current plan assets.¹⁵ This better result would have brought OMERS reported funding level into surplus.

This difference is even greater if we were to compare the impact of OMERS investment performance to that of any of these other large plans. For example, had OMERS achieved the actual 10-year annualized returns of the OTPP of 9.3% (just below the average of the other six plans listed above), the OMERS asset base would now be (all other factors being equal) approximately 27% higher than OMERS actual asset level. In dollar-value terms, this difference represents roughly \$28 billion more in assets after the 10-year period from 2011 to 2020. Had OMERS achieved these better results, the plan would now hold a very substantial surplus.

5. OMERS 20-year return is not above its 20-year benchmark.

Upon request from CUPE Ontario, OMERS also verbally disclosed that its 20-year return is equal to its 20-year benchmark of 6%. In our view, it is troubling that the plan has not outperformed its benchmark over this long period, and that this comparison is also not disclosed in OMERS annual reporting.

¹⁵ The alternative scenarios for investment performance results outlined in this section are necessarily approximate as they are based on data that is made publicly available by OMERS, and were generated using the reported OMERS asset base as at December 31, 2010 of \$53.3 billion.



Conclusion

CUPE Ontario has serious concerns with OMERS investment performance, and with what we believe is a troubling lack of transparency about these issues. In our view, these issues cannot be dismissed as a one-year problem.



**THESE ISSUES
CANNOT BE
DISMISSED AS
A ONE-YEAR
PROBLEM.**

We anticipate that these long-term, below-benchmark investment returns are very likely to lead directly to yet another round of proposals to reduce pension benefits payable to current actives and future retirees. OMERS has already eliminated the guarantee of indexation of pension benefits for service after 2022, and OMERS management has indicated it will be examining further changes in plan design. OMERS has recently stated in writing to CUPE that "the OMERS pension plan has been facing sustainability issues for some time now and the investment results of 2020 have amplified the need to address those issues." At the recent 2021 OMERS AGM, OMERS Sponsors Corporation CEO Michael Rolland stated that "There are no guarantees as to what decisions we will have to make based on our performance...it's a long term performance we need to look at...the results of 2020 did have an impact...and that's why we're taking a look at it."



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TO CURRENT
ACTIVES AND
FUTURE RETIREES.**

CUPE Ontario is the largest sponsor representing plan members in OMERS, with over 125,000 active members in the plan. It is true that CUPE Ontario appoints representatives to both the OMERS Administrative Corporation and the OMERS Sponsors Corporation. However, because of restrictive confidentiality rules at both boards, our representatives are unable to keep CUPE Ontario fully-informed about what is really happening at OMERS governing boards, and the decisions that are being made about our members' hard-earned retirement savings. We do not believe this is how well-governed jointly-sponsored pension plans are supposed to function. The result is that we feel that we are a plan sponsor in name only. Our members are not being well-served by a structure that effectively cuts them out of playing the oversight function they should over their pension plan.



WE ARE NOT
CONFIDENT
THAT OMERS
MANAGEMENT
ITSELF HAS TAKEN,
OR IS PLANNING
TO TAKE,
SUFFICIENT STEPS
TO CRITICALLY
EXAMINE ITS OWN
PERFORMANCE.

These barriers will not stop CUPE Ontario from doing everything we can to ensure these concerns about OMERS investment performance are addressed. Based on their public comments to date, we are not confident that OMERS management itself has taken, or is planning to take, sufficient steps to critically examine its own performance, nor are we confident that plan members or sponsors and organizational stakeholders will receive a transparent reporting of any such review.

Therefore, CUPE Ontario is calling on other plan sponsors from both sides of the table to work with us to commission a fully transparent and independent expert review of the investment program at OMERS. This review should be conducted in the open by the sponsors and stakeholders themselves, and not behind closed doors at OMERS. Ensuring our pension returns are as strong as they can be is not a partisan issue, nor is it an issue that the member and employer side of the table should have a difference of opinion on. We want to work with other OMERS sponsors and stakeholders to address these issues for the good of all OMERS members.



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Executive Summary

CUPE Ontario represents nearly half of the 289,000 active members of the Ontario Municipal Employees Retirement System (OMERS) – the province's Defined Benefit (DB) pension plan for municipal, school board and certain other public sector workers.

While most pension plans had strong returns in 2020, OMERS recently reported billions of dollars of losses over the year. This has prompted CUPE Ontario to examine how OMERS investments have performed compared to other large pension plans and funds. We have also looked at how OMERS has performed against its own internal benchmarks.

We find that OMERS underperformance is not a new or a short-term problem. Specifically, we find that:

- 1) OMERS longer-term performance has significantly lagged behind other large pension funds and plans, in periods both before and after 2020 results were in.
- 2) OMERS has now fallen behind even some of its own internal longer-term return benchmarks – a troubling fact that, contrary to industry standards, is not disclosed in OMERS Annual Report.

Since investment returns fund the vast majority of pensions paid from the plan, returns are incredibly important to DB plan members. Lower investment returns may lead to members being asked to pay more into the plan, or could result in additional pressure for more benefit cuts.

Despite requests, OMERS has not committed to an independent, transparent review of its investment decisions.

CUPE Ontario feels these issues are so serious that a fully transparent expert review of OMERS investment strategies, returns, and internal performance assessment is urgently needed. This review should be conducted by the plan sponsors and stakeholders themselves (the risk-bearing parties to OMERS) and should be fully independent of OMERS staff, who have a clear conflict of interest in conducting a review of their own performance. We invite the other sponsors of OMERS, including our employer counterparts and the broader community of the plan's organizational stakeholders, to support this proposal and to work with us to conduct this review.



Introduction

CUPE Ontario represents 125,000 plan members of the Ontario Municipal Employees Retirement System (OMERS). We are the largest sponsor in this defined benefit (DB) pension plan that is – at least in theory – jointly-controlled by plan sponsors like CUPE Ontario and other unions and employers.



**WE CONTINUE
TO STRONGLY
BELIEVE THAT
DB PLANS ARE
A MODEL WORTH
NOT ONLY
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BUT EXTENDING
TO ALL WORKERS.**

CUPE Ontario strongly believes that DB pension plans are the best way to provide a decent and secure retirement for our hard-working members. Large public sector DB plans like OMERS allow for an efficient pooling and sharing of costs and risks between employers and plan members. DB plans allow members to know what their pensions will be in retirement. This security is incredibly important for plan members. However, it is not only retirees who benefit from good, secure pension benefits. DB pension plans have been shown to have positive macroeconomic effects on the economy as a whole.¹ The concerns we raise in this report are not concerns with the DB model itself; we continue to strongly believe that DB plans are a model worth not only defending, but extending to all workers.

For a number of years, we have been concerned with the lower level of OMERS pension fund investment returns in comparison to those of other similar plans. OMERS recently reported that the plan had a very bad year in 2020. This has led CUPE Ontario to perform a more in-depth examination of publicly-available annual reporting documents to determine how, in our view, OMERS is performing compared to the seven other large (\$50 billion+) pension plans and funds in Canada.² OMERS themselves refer to this club of large plans and funds as the “eight leading Canadian pension plan investment managers,” and occasionally takes coordinated activity with them.³

¹ Conference Board of Canada, “Economic Impact of British Columbia’s Public Sector Pension Plans,” October 2013; Boston Consulting Group, “Measuring Impact of Canadian Pension Funds,” October 2015; Ontario Teachers Pension Plan News Release, “New analysis confirms that defined benefit pensions provide significant benefits to Canadian economy,” October 22, 2013.

² Unless otherwise specified, the data in this document has been compiled from publicly-available annual reporting of the respective plans. With the exception of CDPQ, returns are as reported in these documents, and are net. CDPQ results were reported gross of some expenses, and have been reduced by 0.2% to best approximate a net return. Longer-term periods are annualized, and are as reported by the respective plans.

³ OMERS News Release, “CEOs of Eight Leading Canadian Pension Plan Investment Managers Call on Companies and Investors to Help Drive Sustainable and Inclusive Economic Growth,” November 25, 2020.



**AS BAD AS
OMERS**
PERFORMANCE
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THIS IS NOT A
NEW OR A SHORT-
TERM PROBLEM

Due to their scale, these large pension plans and funds are able to invest in asset classes that are typically not available to smaller investors or individuals. At the same time, we acknowledge that these eight plans are not completely similar: they have their own governance structures, asset mixes, risk appetites, and reporting periods, all of which are described in the public documents of the respective plans. However, we also acknowledge that many of these differences are the result of specific investment decisions made by the respective plans and funds. We therefore believe that there is value in comparing the performance of this small set of large funds, particularly over longer-term periods.

Acronym	Name	Assets Under Management (\$ Billion)	Funded Status in Most Recent Annual Report	Most Recent Annual Reporting Date
CPPIB	Canada Pension Plan Investment Board	410	N/A	March 31, 2020
CDPQ	Caisse de dépôt et placement du Québec	366	108% (RREGOP)	Dec 31, 2020
OTPP	Ontario Teachers Pension Plan	221	103%	Dec 31, 2020
PSP	Public Sector Pension Investment Board	170	111% (Public Service Plan)	March 31, 2020
OMERS	Ontario Municipal Employees Retirement System	105	97%	Dec 31, 2020
HOOPP	Healthcare of Ontario Pension Plan	104	119%	Dec 31, 2020
BC MPP	BC Municipal Pension Plan (investments managed by BCI, the BC Investment Management Corporation)	59 (MPP) 171 (BCI)	105%	Dec 31, 2019 (MPP) March 31, 2020 (BCI)
LAPP	Alberta Local Authorities Pension Plan (investments managed by Alberta Investment Management Corporation)	50 (LAPP) 119 (AIMCO)	119%	Dec 31, 2019

In some cases, the pension funds above manage the investments of several pension plans (CDPQ, PSP, BCI, AIMCO are all such cases). In those cases, we look most closely at the returns at an individual plan level for the respective client plan that most closely compares to OMERS.

We have also looked at how OMERS has performed against its own internal benchmarks.

This review has resulted in some very troubling findings which suggest that, as bad as OMERS performance was in 2020, this is not a new or a short-term problem. We found evidence that OMERS longer-term return performance has significantly lagged behind



other large pension funds and plans. We also found that OMERS has now fallen behind even some of its own internal longer-term return benchmarks – a troubling fact that, contrary to industry standards, is not disclosed in OMERS Annual Report.

Investment results are incredibly important to DB plan members because compounded returns typically fund the vast majority of the pensions that are eventually paid. OMERS indicates that investment returns are expected to fund approximately 70% of the pensions paid by the plan.⁴ When investment returns are insufficient, it can put upward pressure on required contribution rates for both members and employers. Most other plans have now returned to pension surpluses since the global financial crisis more than a decade ago, but OMERS continues its long climb out of deficit. Contribution levels were a central talking point from OMERS when plan decision-makers removed guaranteed indexation in 2020. And we expect that, in the months to come, OMERS will once again be looking to plan members to bear the burden of plan funding issues that are, in part, a result of these investment returns. Meanwhile other pension plans, who have had better returns, are currently holding significant surpluses, many have lower contribution rates and some are even improving pension benefits.⁵ Higher investment returns would have been better for OMERS plan members, and for OMERS employers.

Despite requests⁶, OMERS has not committed to an independent, transparent review of its investment decisions. Any reviews that have taken place have been behind closed doors at OMERS and have not been shared with sponsors or described in any detail. While OMERS has outlined several investment policy changes it plans to make, its overriding message remains: “the fundamentals of our long-term strategy remain sound, and we will continue to advance that strategy.”⁷

CUPE Ontario feels these issues are so serious that a fully transparent expert review of OMERS investment strategies, returns, and internal performance assessment is urgently needed. This review should be conducted by the plan sponsors and stakeholders themselves (the risk-bearing parties to OMERS) and should be fully independent of OMERS staff, who have a clear conflict of interest in conducting a review of their own performance. We invite the other sponsors of OMERS, including our employer counterparts and the broader community of the plan’s organizational stakeholders, to support this proposal and to work with us to conduct this review.

⁴ OMERS 2020 Annual Report, p. 2.

⁵ HOOPP News Release, “HOOPP posts 11.42% return in 2020, surpasses \$100 billion in assets,” March 31, 2021.

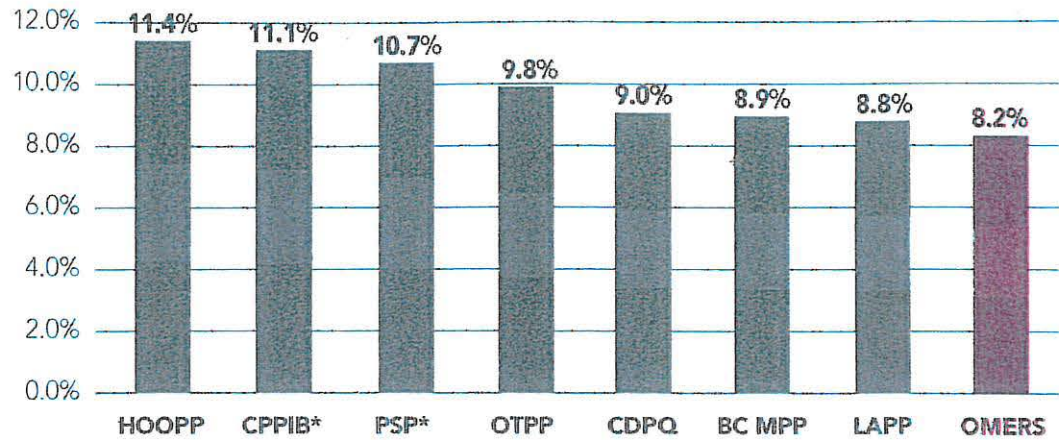
⁶ CUPE Ontario Press Release, “We won’t pay for the mistakes of OMERS executives,” February 25, 2021.

⁷ OMERS 2020 Annual Report, p. 23.

Our five principal findings are as follows:

1. CUPE Ontario's concerns go beyond one "difficult" year in 2020. OMERS 10-year annualized returns trailed those of the other major funds and plans before the COVID crisis hit.

10-Year Annualized Returns at 2019



*To March 31, 2019, otherwise to Dec 31, 2019
Source: Respective Annual Reports



THIS WAS
A HISTORIC
ANNUAL
UNDER-
PERFORMANCE
COMPARED TO
BENCHMARKS.

2. OMERS 2020 investment performance was especially poor

OMERS 2020 annual return (-2.7%) fell far short of the plan's own benchmark for the year of +6.9%. This was a historic annual underperformance compared to benchmarks.

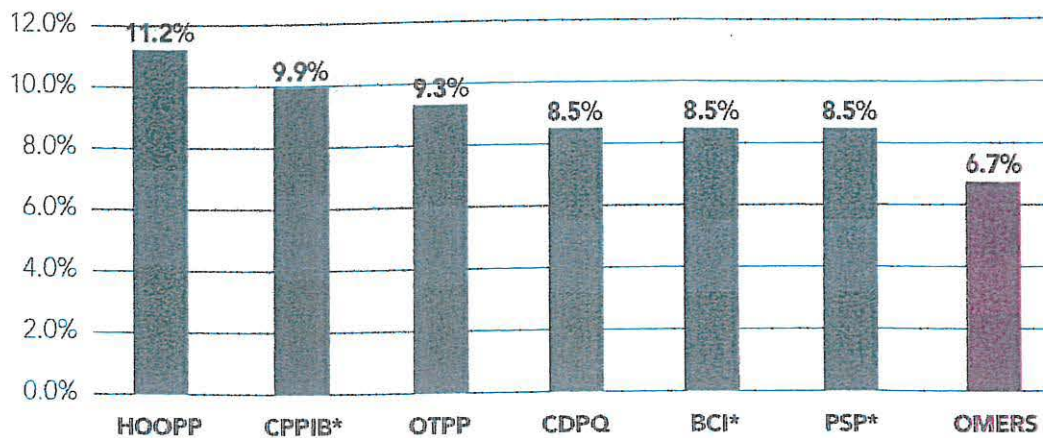
Other plans, however, have reported very strong annual returns for calendar year 2020:

2020 ANNUAL RETURNS	
HOOPP	+ 11.4%
RBC Pension Plan Universe ⁸	+ 9.2%
OTPP	+ 8.6%
CDPQ	+ 7.5%
OMERS	- 2.7%

⁸ RBC Investor & Treasury Services, "Canadian DB pensions post near-double-digit returns despite historic, turbulent year," January 29, 2021.

This negative result led OMERS 10-year annualized return to fall from 8.2% to 6.7%.

10-Year Annualized Returns at 2020



*To March 31, 2020 otherwise to Dec 31, 2020

The chart above reports the most recent available return information for the respective funds and plans as disclosed in their annual reports. LAPP and BC MPP have yet to report their December 31, 2020 results. AIMCO has also not fully reported its 2020 results. However, BCI (the investment agent for BC MPP and other BC public sector plans) has reported its March 31, 2020 results and has been included here. The chart can be updated as more plans report their 2020 investment returns.



OMERS

DOES NOT
REPORT CLEAR
COMPARISONS OF
THE PLAN'S LONG-
TERM ANNUALIZED
RETURNS TO ITS
CORRESPONDING
LONG-TERM
BENCHMARKS.

3. OMERS does not report comparisons of its annualized long-term returns to its own benchmarks.

Benchmarking is a common practice where an investment *standard or goal* is set, against which *actual plan returns* are compared for ongoing assessment of investment performance. OMERS itself describes a benchmark as "a point of reference against which the performance of an investment is measured."⁹ Comparisons of returns vs. benchmarks are typically done on a 1-year basis, but it is very common for long-term annualized comparisons to also be disclosed. Reporting these benchmarks is standard practice for pension plans and third-party investment managers. Even individual investment vehicles like mutual funds and ETFs typically provide details on how their performance compares to both annual and long-term benchmarks.

The OMERS Administration Corporation (AC) sets OMERS benchmarks each year, as described in the "Performance Management" section of the OMERS investment policy document.¹⁰ OMERS Annual Reports describe how these benchmarks are constructed for each asset class. For many years, these reports stated that "Our goal is to earn stable returns that meet or exceed our benchmarks." OMERS Annual Reports compare OMERS single-year returns to the plan's single-year benchmarks. However, in sections describing investment performance, **OMERS does not report clear comparisons of the plan's long-term annualized returns to its corresponding long-term benchmarks.** While the Annual Report does compare performance to the plan's discount rate and a long-term return expectation set by the AC Board, it omits comparisons of the plan's long-term performance against their own long-term benchmarks.

⁹ OMERS 2015 Annual Report, p. 131.

¹⁰ OMERS "Statement of Investment Policies and Procedures – Primary Plan," January 1, 2021.



IN THE ABSENCE
OF LONGER-TERM
COMPARATIVE
DATA, STAKE-
HOLDERS
FACE SERIOUS
OBSTACLES IN
EVALUATING
PERFORMANCE

OMERS believes that “paying pensions over decades means a long-term approach.”¹¹ But in the absence of longer-term comparative data, stakeholders face serious obstacles in evaluating performance. A review of historical Annual Reports shows that OMERS had a longstanding practice of reporting these long-term comparisons, but OMERS stopped this reporting, without explanation, in 2013. **This is dramatically out of step with other pension plans and is, in our view, a serious lack of transparency from OMERS.**

	HOOPP	CPPIB	PSP	OTPP	CDPQ	BC MPP	LAPP	OMERS
Does annual report compare annualized longer-term returns to corresponding benchmarks?	YES	YES	YES	YES	YES ¹²	YES	YES	NO

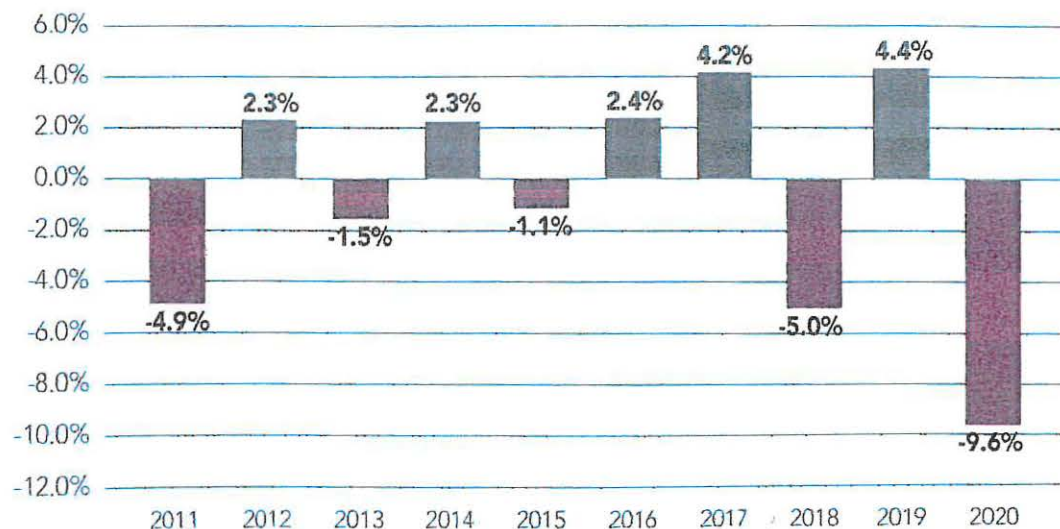


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OTHER PENSION
PLANS AND IS,
IN OUR VIEW, A
SERIOUS LACK OF
TRANSPARENCY
FROM OMERS.

The OMERS Statement of Investment Policies and Procedures states that “performance reporting is consistent with industry recognized practices.”¹² The OMERS Statement of Investment Beliefs says that “articulating our investment goals and performance measures helps ensure clear accountability.”¹³ We do not believe OMERS is meeting these standards of reporting and accountability on this point.

4. OMERS 5 and 10-Year Returns are now below OMERS own benchmarks for these periods.

OMERS Annual Returns vs OMERS Annual Benchmark



Source: OMERS 2020 Annual Report, Ten-Year Financial Review, p. 142.

¹¹ OMERS News Release, “OMERS Reports 2020 Financial Results: paying pensions over decades means a long-term approach,” February 25, 2021.

¹² OMERS “Statement of Investment Policies and Procedures,” January 1, 2021. www.omers.com/governance-manual-policies-and-guidelines

¹³ OMERS “Statement of Investment Beliefs,” January 1, 2020. www.omers.com/governance-manual-policies-and-guidelines

	OMERS Return	OMERS Benchmark	Difference
5-Year Annualized	6.5%	7.4%	-0.9%
10-Year Annualized	6.7%	7.3%	-0.6%

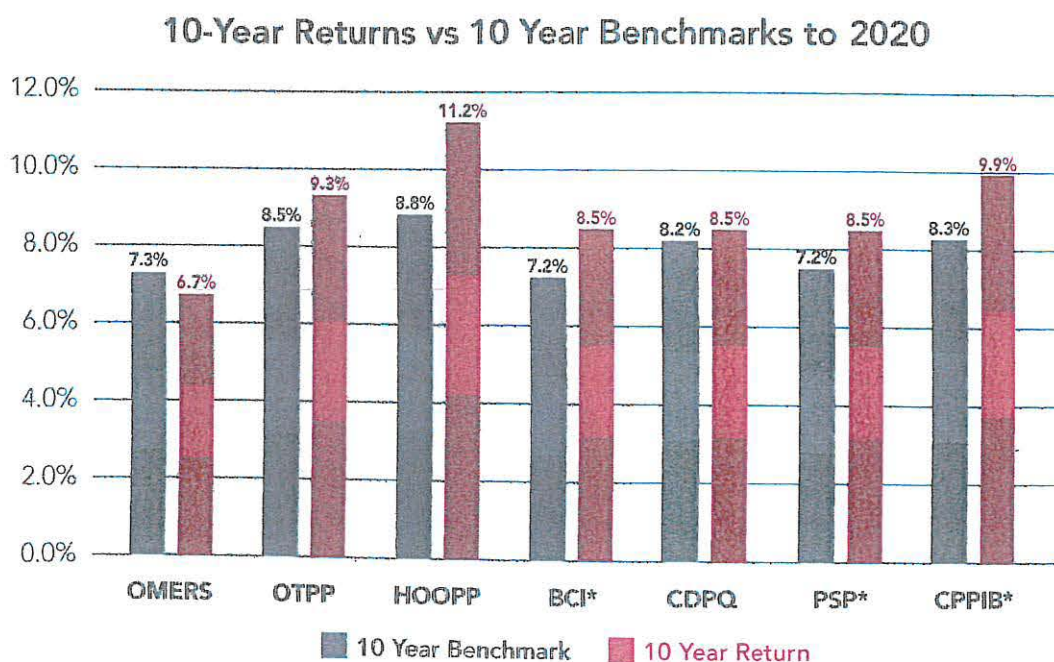
Source: Returns from OMERS 2020 Annual Report
Annualized Long-Term benchmarks not referenced in Annual Report and were reported verbally to CUPE by OMERS on our request.

The 5 and 10-year annualized benchmark figures above were not disclosed in the OMERS 2020 Annual Report. OMERS provided these numbers verbally to CUPE Ontario upon our request. Previous OMERS Annual Reports normally included a statement that "Our goal is to earn stable returns that meet or exceed our benchmarks."¹⁴ This statement appears to have been struck from the 2020 Annual Report.

We also note that, OMERS benchmarks are comparatively low over this period when examined alongside other plans. We believe this is due to a different benchmarking methodology for certain investments at OMERS compared to industry standards. The other major plans and funds that have reported 2020 results, however, are all ahead of their 10-year benchmarks as of their most recent annual reports.



THE OTHER MAJOR PLANS AND FUNDS THAT HAVE REPORTED 2020 RESULTS, HOWEVER, ARE ALL AHEAD OF THEIR 10-YEAR BENCHMARKS AS OF THEIR MOST RECENT ANNUAL REPORTS.



*To March 31, 2020 otherwise to Dec 31, 2020

¹⁴ 2010 Annual Report p. 27; 2011 Annual Report p. 25; 2012 Annual Report p. 23; 2013 Annual Report p. 22; 2014 Annual Report p. 12; 2015 Annual Report p. 9; 2016 Annual Report p. 33; 2017 Annual Report p. 33; 2018 Annual Report p. 33; 2019 Annual Report p. 42; 2020 Annual Report N/A.

OMERS Bulletin

November 15, 2021

This bulletin includes important information in response to letters that have been sent to municipal Councils by CUPE Ontario regarding OMERS investment performance

There is nothing more important to OMERS than our commitment to members and employers. We recognize the significance that having a lifelong, secure and reliable stream of pension income has on members when they retire. Canada's jointly sponsored public sector pension plans, including OMERS, are leaders in governance, plan design and investment expertise. We have positive and far-reaching impacts on society, beyond the members we serve.

OMERS Economic Impact

OMERS helps generate significant economic activity in Ontario – through OMERS retirees' spending and through our operations and the investments we make in local communities across Ontario. This includes approximately \$5 billion in pension payments made annually to over 180,000 retirees. Throughout OMERS almost 60-year history, we have consistently paid pensions on time, and as promised.

OMERS activities support one of every 64 jobs across Ontario, including 118,000 jobs across all rural regions, and lead to \$12 billion in gross domestic product.

We have partnered with the Canadian Centre for Economic Analysis (CANCEA) to measure OMERS economic impact, and we will be sharing some additional findings from a new report through our Q4 newsletters to members, employers and stakeholders.

We know that OMERS activities support one of every **64 jobs** across Ontario, including **118,000 jobs** across all rural regions, and lead to **\$12 billion** in gross domestic product.

OMERS is proud to be amongst the Canadian public sector pension plans that are held in high esteem around the world, far beyond this country's borders. As a 2017 World Bank Group study notes, "Canada is home to some of the world's most admired and successful public pension organizations...Over the past three decades, a 'Canadian model' of public pension has emerged that combines independent governance, professional in-house investment management, scale, and extensive geographic and asset-class diversification."

OMERS Credit Ratings

Our credit ratings were affirmed by four rating agencies earlier this year, with Fitch Canada including in their credit report that OMERS AAA rating reflects our *"solid long-term investment track record... [and] strong corporate governance"*, among other qualities.

AAA	AAA	Aa1	AA+
DBRS	Fitch	Moody's	S&P

Comparison of OMERS Results Against Other Pension Plans

OMERS investment strategy is designed to earn stable long-term returns, to meet our specific pension liabilities, while operating within a professional risk appetite that will meet the needs of our pension plan. Other pension plans have their own plan demographics, design features, risk appetite, liabilities and funded status – and some of these differ significantly from OMERS. As a result, comparing OMERS results against those of other pension plans is not the right focus because it necessitates taking information out of context and does not present a complete and fair comparison.

In the municipal context, an analogy would be comparing property taxes across municipalities: they all have a different set of circumstances. While it's important to be aware of other property tax rates across Ontario, municipalities will set their property taxes based on their own set of circumstances – their own needs to finance the delivery of public services to their residents.

We believe that our performance should be assessed against our own benchmarks, which are set annually by the Administration Corporation (AC) Board, and consider our specific pension liabilities, risk appetite, and the trade-offs between risks and returns. We align these benchmarks with OMERS objective of providing sustainable, affordable and meaningful pensions over the long term.

These benchmarks form the basis of our disclosures in our publicly available [Annual Report](#).

Investment Results

Over the 10-year period leading up to 2020, OMERS investment portfolio averaged an annual return of 8.2%, and 8.5% for the five- and three-year period. In 2019, OMERS delivered an 11.9% return.

We have previously shared that we were not pleased with our 2020 investment results. The effects of the global COVID-19 pandemic negatively impacted our portfolio in 2020, contributing to an investment return net of expenses of -2.7%. The factors contributing to these results are outlined in our [Annual Report](#) and include the following:

- widespread lockdowns which severely affected the business- and consumer-facing investments;
- the loss in value of OMERS portfolio of high-quality public equities in early 2020, which did not fully recover during the market rally in the latter part of 2020; and
- the actions we took proactively to enhance and protect the Plan's liquidity from further possible adverse market events achieved their objectives but resulted in currency losses.

In addition to these three factors, long-term bond yields fell steeply in March and April, leading to strong returns for those assets. OMERS prioritizes short-dated, higher-yielding credit investments, with only a small allocation to long-term bonds, whose fair values can be volatile and whose low (or even negative) cash yield is not enough to meet our long-term investing hurdle rate. Accordingly, our 2020 returns did not materially benefit from these types of gains.

As published in our mid-year financial results, this situation has reversed and we earned \$9.2 billion of net investment income in the first six months of 2021.

Mid-Year Financial Results as of June 30, 2021

In August 2021, we released our mid-year investment update for the first time, which is available at [omers.com](https://www.omers.com). For the first six months of the year, we earned a net return of 8.8%, and net assets grew by \$9 billion to \$114 billion. Further, over the **12 months** ended June 30, 2021, the Plan earned a net investment return of **18.2%**.

We expect the positive results to date in 2021 will continue for the remainder of the year, provided equity markets remain stable. The AC Board and the OMERS leadership team strongly believe we have the investment expertise and strategy in place to continue to achieve long-term returns consistent with our objectives.

For the first six months of the year, we earned a net return of 8.8%, and net assets grew by \$9 billion to \$114 billion. Further, over the **12 months** ended June 30, 2021, the Plan earned a net investment return of **18.2%**.

OMERS Governance Model

It is important for you to know that in 2012, pursuant to the *Ontario Municipal Employees Retirement System Review Act, 2006*, an independent reviewer (“Reviewer”) was appointed by the Minister of Municipal Affairs and Housing to conduct a review of the operation of OMERS governance structure. The Reviewer confirmed the importance of having an independent, professional OMERS AC Board to oversee the investment performance of the Plan, among other matters.

Role of the Independent, Professional OMERS AC Board of Directors

OMERS investment strategy and execution is governed by the independent AC Board of Directors, whose professional members are nominated by OMERS sponsors, including two representatives nominated by CUPE. It is the AC Board’s responsibility to govern OMERS investment program, and it takes this duty very seriously.

AC Board of Directors Review of the 2020 Financial Results and Consideration of the Third-Party Review

Following the 2020 results, the AC Board undertook a thorough and extensive review of OMERS investment strategy and past decisions. George Cooke, the independent AC Board Chair, made the following comments on the matter earlier this year:

“OMERS investment program is governed by an independent expert board, whose members have been nominated by our sponsors. The board continually and thoroughly reviews investment performance, independent of management, utilizing external experts where appropriate. Following the 2020 results specifically, we undertook a thoughtful look at our investment strategy and past decisions with an open mind. We are confident in our strong new leadership team and have concluded that our current investment strategy is appropriate. An additional third-party independent review is not warranted.”

The Association of Municipalities of Ontario and Consideration of the Third-Party Review

OMERS leadership and OMERS AC and Sponsors Corporation (SC) Board appointees work closely with the Municipal Employer Pension Centre of Ontario (MEPCO) Board and AMO staff to ensure their issues and concerns are fully considered by the AC and SC Boards, and by OMERS leadership. We particularly focused on this positive working relationship during 2021 and had frank and constructive discussions about OMERS investment performance.

As a Plan Sponsor representing municipalities across Ontario, AMO has two qualified, professional representatives on the OMERS AC Board, overseeing the investment performance of the Plan. The City of Toronto, as OMERS largest employer, has a separate seat on the AC Board, also filled by a qualified professional.

More information is available in [MEPCO's August newsletter](#) and [MEPCO's November newsletter](#) in which AMO and MEPCO expressed confidence in OMERS Plan governance and administration.

In addition to AMO, other sponsors, including the Police Association of Ontario (PAO), Ontario Professional Fire Fighters' Association (OPFFA), Ontario Secondary School Teachers' Federation (OSSTF) and OPSEU, have also written to the OMERS AC Board Chair confirming their support for the independent AC Board of Directors to oversee OMERS investment performance. Following are excerpts from a letter sent by these sponsors to OMERS:

"...in our view, the ultimate responsibility for the performance of OMERS' investments lies with the Administration Corporation Board of Directors [the "AC Board"]. The AC Board is responsible for placing individuals in leadership roles at OMERS, evaluating their performance, assessing risk, and making key decisions with regard to the investment fund and its administration."

"We therefore would not support any position that would substitute the view of a single sponsor organization or a group of sponsor organizations for the view of the AC Board. This would undermine the independent nature of the AC Board and reduce their ability to properly hold OMERS staff to account."

OMERS has also provided information to the Ontario Municipal Administrators Association (OMAA), in response to questions they posed, which will be made available on their website.

Continuing Oversight and Governance of OMERS

To ensure the effective oversight and governance, and the proper functioning of the AC Board, it is critical that sponsor organizations continue to nominate directors with the expertise to independently evaluate and approve strategic investment choices and assess investment manager skill. AC directors are nominated by OMERS sponsors and appointed by the SC Board.

OMERS management and the AC Board will continue to review, refine and improve our disclosures as we gather feedback from stakeholders and as the reporting environment continues to evolve.

Conclusion

The role of governance and oversight of OMERS investment strategy resides in the hands of the independent AC Board. The AC Board has considered the request by CUPE Ontario for a third-party review of OMERS investment results and has determined that it is not warranted.

OMERS 2021 annual results will be released during the first quarter of 2022, and we welcome the opportunity to discuss our performance with employers, sponsors and stakeholders following this release.

At the same time, the Sponsors Corporation is undertaking the important work of reviewing the Plan against a shifting membership demographic to ensure that we are set up to deliver sustainable, affordable and meaningful pensions for generations to come.

We look forward to 2022 with humble confidence, as we celebrate OMERS 60th year of proudly serving members across Ontario.

If you would like to further discuss our investment results, our governance structure or require any additional information, please contact our Stakeholder Relations team at StakeholderRelations@omers.com.

We look forward to
2022 with humble
confidence, as
we celebrate
OMERS 60th year
of proudly serving
members across
Ontario.

The Corporation of the City of Port Colborne

By-law No. _____

Being a By-law to Adopt and Maintain a Policy Concerning the Procurement of Goods and Services for the City of Port Colborne, and to Repeal By-law 6542/109/17

Whereas the *Municipal Act, 2001* provides that a municipality shall adopt and maintain policies with respect to its procurement of goods and services; and

Whereas at its meeting of December 11, 2017, Council approved the recommendations of Community and Corporate Services Department Report No. 2017-192, Subject: Procurement Policy; and

Whereas at its meeting of December 13, 2021, Council approved the recommendations of Corporate Services Department Report No. 2021-323, Subject: Procurement Policy; and

Whereas Council is desirous of adopting a new policy governing the procurement of goods and services, and repealing By-law 6542/109/17.

Now therefore the Council of The Corporation of the City of Port Colborne enacts as follows:

1. That the Procurement Policy attached hereto as Schedule “A” is hereby approved and adopted as the policy governing the procurement of goods and services for the City of Port Colborne.
2. That By-law 6542/109/17 is hereby repealed.
3. That this By-law shall come into force and take effect on the date of passing.

Enacted and passed this 13th day of December, 2021.

William C. Steele
Mayor

Amber LaPointe
City Clerk

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PROCUREMENT POLICY

SECTION 1 – PURPOSE AND PRINCIPLES

1.1 Purpose

The purpose of this policy is to detail the principles, procedures, roles, and responsibilities for the City's Procurement operations.

1.2 Principles

The City is committed to conducting its Procurement operations in accordance with the following principles:

- (a) compliance and consistency with applicable legislation, trade agreements, policies, and procedures;
- (b) open, fair, and transparent processes that afford equal access to all qualified Suppliers;
- (c) reciprocal non-discrimination and geographic neutrality with respect to its trading partners in accordance with trade treaty obligations;
- (d) achieving best value through consideration of the full range of Procurement formats and the adoption of commercially reasonable business practices;
- (e) to encourage the procurement of goods and/or services with due regard to the preservation of the natural environment;
- (f) to promote, and incorporate wherever possible the procurement of goods and/or services, the requirements of the *Ontarians with Disabilities Act, 2001*, S.O. 2001, c. 32, as amended;
- (g) effective balance between accountability and efficiency; and
- (h) ensuring adherence to the highest standards of ethical conduct.

SECTION 2 – INTERPRETATION AND APPLICATION

2.1 Defined Terms

Terms used in this policy are defined in the Glossary of Terms (Schedule A).

2.2 Application

This policy applies to the Procurement of all Deliverables with the exception of the exclusions set out in Schedule B of this policy. Procurement includes the acquisition of Deliverables by purchase, rental, or lease.

This policy does not apply to:

- (a) Contracts or agreements relating to hiring of employees or employee compensation or reimbursement of employee expenses; or
- (b) Contracts or agreements for the sale, purchase, lease or license of land or existing buildings.

2.3 Authorization Schedule

The Authorization Schedule (Schedule D) sets out the authorities for:

- (a) initiating a procurement;
- (b) conducting a Procurement process and approving the award of a Contract;
- (c) issuing Purchase Orders and signing Contracts on behalf of the City; and
- (d) approving amendments to existing Contracts.

2.4 Procurement Protocols and Procedures

Procurement Services is responsible for developing and maintaining detailed protocols and procedures to support this policy. All procurements covered by this policy must be conducted in accordance with all applicable protocols and procedures.

2.5 Emergency Purchases

Notwithstanding any other provisions of this policy, where an emergency exists and prior approval of the Head of Procurement Services cannot be obtained, a Department Head, or their designate, may authorize any officer or employee to acquire required Deliverables in an expedited manner.

For the purposes of this policy, an emergency exists when an unforeseeable situation or event occurs that is a threat to any of the following:

- (a) public health and/or safety;
- (b) the maintenance of essential services;
- (c) the welfare of persons or public property; or
- (d) the security of the City's interests.

Situations of urgency resulting from the failure to properly plan for a Procurement do not constitute an emergency.

2.6 Co-operative Purchasing

The City may participate in co-operative or joint purchasing initiatives with other entities where such initiatives are determined to be in the best interests of the City. If the City participates in such co-operative

or joint purchasing initiatives, the City may adhere to the policies of the entity conducting the purchasing process, provided that such policies comply in spirit with this policy. If the City is leading a co-operative or joint purchasing initiative, this policy will be followed.

SECTION 3 – ETHICAL CONDUCT AND CONFLICTS OF INTEREST

3.1 Conduct and Conflicts of Interest

The City's Procurement activities must be conducted with integrity, and all individuals involved in the City's Procurement activities must act in a manner that is consistent with the principles and objectives of this policy and in accordance with the City's Code of Conduct.

All participants in a Procurement process, including any outside consultants or other service providers participating on behalf of the City, must declare any perceived, possible, or actual conflicts of interest.

"Conflict of interest," when applied to the activities of the City and its consultants or service providers, means a conflict or tension between one's private interests and one's public or fiduciary duties.

3.2 Supplier Conduct and Conflicts of Interest

The City requires its Suppliers to act with integrity and conduct business in an ethical manner.

All Suppliers participating in a Procurement process or providing Deliverables to the City must declare any perceived, possible, or actual conflicts of interest and must conduct themselves in accordance with the Supplier Code of Conduct in Schedule E of this policy.

The City may refuse to do business with any Supplier that has engaged in illegal or unethical bidding practices, has an actual or potential conflict of interest or an unfair advantage, or fails to adhere to ethical business practices.

SECTION 4 – ROLES AND RESPONSIBILITIES

4.1 Role and Responsibilities of the CAO

It is the role of the CAO to establish policy and approve expenditures through the City's budget-approval process. Through this policy, the CAO delegates to the City's officers and employees the authority to incur expenditures in accordance with approved budgets through the Procurement of Deliverables in accordance with the rules and processes set out in this policy and applicable protocols and procedures. The CAO may provide strategic direction and guidance on major projects prior to the commencement of the Procurement process; however, the CAO will not generally be involved in the day-to-day Procurement operations or individual Procurement processes, except to the extent that the approval of the CAO is required under this policy or in the event that an exception to this policy is required.

4.2 Roles and Responsibilities of Officers and Employees

Specific responsibilities pertaining to all stages of a Procurement process, from the initial identification of requirements through to the management of Contracts with Suppliers, are detailed in this policy and

applicable protocols and procedures. In addition to those specific responsibilities, the general roles and responsibilities delegated to the City's officers and employees are set out below.

4.2.1 Head of Procurement Services

It is the role of Procurement Services to lead the City's Procurement operations. In fulfilling this role, the Head of Procurement Services, or designate, is responsible for:

- (a) ensuring the consistent application of this policy and the provision of Procurement services to the Departments efficiently and diligently;
- (b) developing Procurement strategies and continually analyzing business requirements and spending patterns to identify opportunities for more strategic sourcing;
- (c) researching, developing, maintaining, updating, and communicating Procurement protocols, procedures, and templates;
- (d) addressing any issues or concerns that arise in respect of a Procurement process and seeking guidance, support, and advice of Legal Services, as required; and
- (e) providing appropriate orientation, training, and tools to employees involved in Procurement activities.

4.2.2 Department Heads

It is the role of the Departments to ensure that their requirements for Deliverables are met in accordance with the principles and objectives of this policy. In fulfilling this role, Department Heads are responsible for ensuring that their Department complies with this policy and all applicable protocols and procedures, encouraging sound Procurement practices and ensuring the provision of appropriate education and training to employees involved in Procurement activities.

Department Heads will be held accountable for any decision to proceed with a Procurement process or transaction that is not conducted in accordance with this policy or does not have the approval of Procurement Services.

4.2.3 Department Employees

Employees of all Departments are responsible for complying with this policy. Department employees involved in Procurement activities must understand their obligations and responsibilities under this policy and all applicable protocols and procedures, and they should consult with Procurement Services in respect of any questions regarding the application or interpretation of this policy or any relevant procedures.

4.2.4 Procurement Services Employees

Employees of Procurement Services are responsible for complying with this policy and ensuring this policy and all protocols and procedures are applied consistently. Procurement Services employees must understand their obligations and responsibilities under this policy and all applicable protocols and procedures, and they should consult with the Head of Procurement Services in respect of any questions regarding their application or interpretation.

4.2.5 Legal Services

It is the role of Legal Services to provide legal advice and assistance on the City's Procurement activities and its relationships with Suppliers. In fulfilling this role, Legal Services is responsible for:

- (a) advising the Head of Procurement Services as required on legal issues arising from Procurement activities and reviewing and approving specific Solicitation Documents and related documentation referred for legal review by the Head of Procurement Services;
- (b) providing advice on the finalization of Contracts and agreements and reviewing and advising on proposed changes to the City's standard terms and conditions, legal agreements, and Solicitation Document templates; and
- (c) providing legal advice and counsel to the City in the event of a Contract dispute or legal challenge flowing from a Procurement process.

4.3 Procurement Review Committee

The City will establish a Procurement Review Committee ("PRC") for the purpose of making determinations under:

- (a) the Non-Standard Procurement Protocol;
- (b) the Procurement Protest Protocol; and
- (c) the Supplier Suspension Protocol;

and for considering and providing input on other Procurement matters that may be referred to it by the Head of Procurement Services.

The PRC will include the Head of Procurement Services and at least two other senior-level officers or employees of the City. Legal Services will provide guidance and advice to the PRC, as required.

SECTION 5 – ESTABLISHMENT OF SUPPLY ARRANGEMENTS

5.1 Recurring Requirements

Before initiating a procurement, Departments must consider the availability of existing supply arrangements. If the Deliverables will be required on a frequent or regularly recurring basis, and there is no existing supply arrangement, the Department must consult with Procurement Services about the possibility of establishing a Standing Offer or Qualified Supplier Roster.

5.2 Standing Offers

Standing Offers may be established for standardized Deliverables to be purchased by all Departments, where:

- (a) the requirements for Deliverables are recurring and predictable over an extended period of time;

- (b) the requirements are standard and clearly defined at the time of establishment of the Standing Offer; and
- (c) it is possible to fix pricing for the Deliverables for the duration of the Standing Offer.

The establishment of a Standing Offer does not create a contractual commitment to procure Deliverables from the Supplier. The commitment to purchase against a Standing Offer is formed at the time a specific order is placed through the issuance of a Purchase Order to the Supplier.

The Head of Procurement Services is authorized to establish Standing Offers through an Open Competition. The Open Competition will be managed by Procurement Services, with the co-operation and involvement of subject-matter experts from the relevant Department(s). If multiple Standing Offers are established for the same goods or services, clear ranking methodologies and call-up procedures must be specified.

5.3 Qualified Supplier Rosters

Qualified Supplier Rosters may be established to prequalify Suppliers that will be eligible to compete for discrete work assignments involving the delivery of a particular type of Deliverables, as and when required.

The establishment of a Qualified Supplier Roster does not create a contractual commitment to procure Deliverables from any of the Suppliers. When Deliverables are required, a Roster Competition will be conducted for the purposes awarding a contract to one of the qualified Suppliers.

The Head of Procurement Services is authorized to conduct Open Framework Competitions to establish Qualified Supplier Rosters. The Open Framework Competition will be managed by Procurement Services, with the co-operation and involvement of the Department(s), in accordance with the Qualified Supplier Roster Protocol.

SECTION 6 – PROCUREMENT OF DELIVERABLES

6.1 Procurement Planning

Effective Procurement planning is essential to ensuring an effective result and to limiting risk to the City. Departments must ensure that they leave sufficient time to plan for a procurement, including time for:

- (a) developing proper specifications and business requirements;
- (b) obtaining internal reviews;
- (c) conducting a Competitive Process, as required; and
- (d) obtaining necessary approvals.

Departments must follow the Procurement Planning Protocol.

6.2 Market Research

Where the Department is uncertain about the Deliverables required or where there is insufficient internal knowledge about the market, the Department must consult with Procurement Services about conducting a Request for Information (“RFI”) process. An RFI process must be openly posted in order to gather market research from prospective Bidders. It must not be used as a prequalification tool.

6.3 Procurement Value

It is important to accurately estimate the value of the Procurement to determine the appropriate Procurement method and ensure compliance with the requirements of this policy. Departments must refer to the Procurement Planning Protocol for additional guidance on determining the Procurement Value.

6.4 Contract-Splitting

Subdividing, splitting or otherwise structuring Procurement requirements or contracts in order to reduce the value of the Procurement or in any way circumvent the requirements or intent of this policy is not permitted.

6.5 Initiating Procurement

Unless specifically permitted under this policy or the Procurement protocols or procedures, Departments are not permitted to procure Deliverables or engage with potential Suppliers regarding the Procurement of Deliverables without the involvement of Procurement Services. All procurements must be initiated in accordance with the Procurement Planning Protocol.

6.6 Procurement Authorization

Before any Procurement process begins, authorization of the Procurement and delegation of authority to procure must be obtained in accordance with the Authorization Schedule.

6.7 Standard Procurement Methods

Depending on the nature, value, and circumstances of the procurement, the City may procure Deliverables through the following standard Procurement methods. The various thresholds are set out in Schedule C of this policy.

6.7.1 Existing Supply Arrangement

6.7.1.1 Ordering from Standing Offer

When a Standing Offer is available, its use is mandatory for all Departments. To purchase from the Standing Offer, the Department can submit an authorized Purchase Order requisition to Procurement Services or order directly. A purchaser order referring to the Standing Offer details should be created and sent to the Supplier. The Purchase Order referencing the Standing Offer and reflecting the pre-negotiated prices and terms and conditions of the Standing Offer will be created and issued to the Supplier by the Head of Procurement Services.

6.7.1.2 Roster Competition

If the Deliverables are available under an existing Qualified Supplier Roster, they must be acquired through a Roster Competition.

Roster Competitions will be managed by Procurement Services, with the co-operation and involvement of the Department, in accordance with the Qualified Supplier Roster Protocol.

6.7.2 Low-Value Procurement

Where the Procurement Value is below the Low-Value Procurement Threshold and the Deliverables are not covered under an existing Standing Offer or Qualified Supplier Roster, Departments may make Low-Value Procurements without the involvement of Procurement Services.

It is the responsibility of the Department to determine if there is an existing Standing Offer or Qualified Supplier Roster for the required Deliverables before making a purchase. When available, the Deliverables must be purchased in accordance with the terms of the Standing Offer or in accordance with the Qualified Supplier Roster Protocol.

For Low-Value Procurements, the Department is only required to obtain one quote and may acquire the Deliverables using petty cash or a corporate purchasing card or by submitting a Purchase Order requisition to the Head of Procurement Services.

Where practical, departments are encouraged to obtain multiple quotes to ensure they are obtaining best value. Quotes may be obtained through advertisements or Supplier catalogues or by contacting the potential Supplier(s) by telephone or email.

The Department Head is responsible and accountable for Low-Value Procurements and may authorize specific individuals within the Department to make Low-Value Procurements and may assign specific spending authority limits.

If a Department anticipates making multiple Low-Value Procurements of the same Deliverables and the total value of those purchases may exceed the applicable Low-Value Procurement Threshold, the department must contact Procurement Services to discuss the possibility of setting up a Standing Offer or Qualified Supplier Roster.

Procurement Services is available to assist Departments with Low-Value Procurements, and Departments may request that Procurement Services conduct an Invitational Competition for any Low-Value Procurement.

6.7.3 Invitational Competition

An Invitational Competition, in which Bids are solicited from a minimum of three Suppliers, is the standard method of Procurement when the Procurement Value is between the Low-Value Procurement Threshold and the Open Competition Threshold.

Invitational Competitions will be managed by Procurement Services, with the co-operation and involvement of the Department, in accordance with the Invitational Competition Protocol.

Procurement Services may delegate the authority to conduct an Invitational Competition to a Department, on either a standing basis or a case-by-case basis. Where a Department has delegated authority to conduct an Invitational Competition, the Department Head is responsible and accountable for ensuring that the process is conducted in accordance with the Invitational Competition Protocol.

Open Competition may be conducted in lieu of an Invitational Competition, where the Head of Procurement Services, in consultation with the Department, determines that it would be in the City's best interest.

6.7.4 Open Competition

An Open Competition, in which Bids are solicited from all interested Suppliers through a publicly posted Solicitation Document, is the standard method of Procurement when the Procurement Value equals or exceeds the Open Competition Thresholds.

Open Competitions must also be used to establish Standing Offers if the value of Standing Offer is above Open Competitive Threshold unless there is an applicable Collaborative Agreement.

Open Competitions may include two-stage Procurement processes in which a prequalification process is conducted by soliciting and evaluating submissions from all interested Suppliers in order to establish a short list of prequalified Suppliers that will be eligible to submit a Bid in response to a second-stage Solicitation Document. A two-stage Procurement process may be used whenever determined appropriate by the Head of Procurement Services, in consultation with the Department.

Open Competitions will be managed by Procurement Services, with the co-operation and involvement of the Department, in accordance with the Open Competition Protocol.

6.8 Non-Standard Procurement

Non-Standard Procurement means the acquisition of Deliverables through a method other than the standard method for the type and value of the Deliverables, as set out above under Section 6.7.

Non-standard Procurement methods include:

- (a) acquiring Deliverables directly from a particular Supplier without conducting a Competitive Process when an Invitational Competition or an Open Competition would normally be required; and
- (b) soliciting Bids from a limited number of Suppliers without conducting an open prequalification process when an Open Competition would normally be required.

The use of a Non-Standard Procurement process is permitted only under the specific circumstances set out in the Non-Standard Procurement Protocol and must be approved in accordance with the Non-Standard Procurement Protocol.

Under no circumstances will a Non-Standard Procurement be used for the purpose of avoiding competition among Suppliers or in a manner that discriminates against or advantages Suppliers based on geographic location.

6.9 Contract Award and Finalization

Contracts must be awarded in accordance with this policy and the applicable protocol(s) governing the Procurement process and must be authorized in accordance with the Authorization Schedule.

A Contract may be entered into through the execution of a legal agreement and/or the issuance of a Purchase Order evidencing the contract. The Contract must be entered into prior to the delivery or provision of the Deliverables.

The Head of Procurement Services has delegated authority to issue Purchase Orders on behalf of the City. Agreements must be signed in accordance with the Authorization Schedule.

No Contract may be entered into, either through the issuance of a Purchase Order or the execution of an agreement, unless:

- (a) approved funding in an amount sufficient to cover the Procurement Value is available;
- (b) the Procurement process was conducted in accordance with this policy; and
- (c) applicable protocols and all required authorizations have been obtained.

SECTION 7 – SUPPLIER RELATIONS AND CONTRACT MANAGEMENT

7.2 Debriefings

Where the City has conducted an Open Competition, unsuccessful Suppliers may request a debriefing.

7.3 Procurement Protests

Suppliers may formally protest the outcome of a Procurement process, and will be managed by Procurement Services in a timely manner.

7.4 Contract Management

All contracts for Deliverables must be managed by the Department making the acquisition. Master Framework Agreements will be managed by Procurement Services in accordance with the Qualified Supplier Rosters Protocol.

7.5 Contract Extensions or Amendments

Contract extensions and amendments must not be used to expand a Contract beyond what was contemplated under the terms of the Contract and the original Procurement process or to circumvent the need to procure additional Deliverables through a Competitive Process in accordance with this policy.

During the course of a contract, additional work may arise that could not be anticipated during the project planning process. Contract amendments for adjustments to the scope of the Contract may be approved if the adjustment is for work that is directly connected or incidental to the original Contract scope.

The expansion or extension of a Contract to procure Deliverables that were not contemplated in the original Procurement is a Non-Standard Procurement and, if the total cumulative value of the additional Deliverables equals or exceeds the Open Competition Threshold, the Non-Standard Procurement must be approved in accordance with the Non-Standard Procurement Protocol. Where a Contract is amended or extended more than once, the total cumulative value of the additional Deliverables includes the value of all previously approved amendments and extensions and the value of the proposed amendment or extension.

If a Contract amendment results in a net increase to the Contract value previously approved, the amendment must be approved in accordance with the Authorization Schedule.

All amendments to an existing Contract must be appropriately documented. Legal Services should be consulted regarding all matters pertaining to Contract interpretation and application, and for any changes, extensions, renewals, or amendments required to be made to any executed contract.

7.6 Contract Disputes

All potential Contract disputes with Suppliers must be managed in accordance with the dispute resolution mechanisms outlined in the contract. Where a Contract is silent on dispute resolution, the Department should ensure that potential disputes are proactively managed and appropriately escalated. Written copies of all communications and correspondence with Suppliers concerning a Contract dispute must be maintained by the Department. A Contract can be terminated only prior to its expiry date with the involvement of Legal Services.

7.7 Supplier Performance

The performance of a Supplier under Contract must be monitored and tracked by the Department.

7.8 Supplier Suspension

Suppliers can be suspended from participating in future Procurement processes in accordance with debarment procedures that if used require the involvement of Legal Services and Procurement Services.

SECTION 8 – PROCUREMENT RECORD-KEEPING

8.1 Supplier Information

The City must ensure that Supplier information submitted in confidence in connection with a Procurement process or Contract is adequately protected. Procurement Services and the Departments must ensure that all Bids and contracts are kept in a secure location and are only accessible by those individuals directly involved with the Procurement or management of the contract.

8.2 Procurement Records

The maintenance, release, and management of all Procurement records must be in accordance with the City's policies and procedures on document management and access to information.

Procurement Services is responsible for ensuring that all documentation relating to a Procurement is properly filed and maintained in a Procurement project file. Documentation and reports regarding Procurement processes and Contract awards (including Non-Standard Procurements) and data necessary to trace the process conducted electronically must be maintained for a minimum period of at least three years from the Contract award date, or such longer period as may be required under the City's document management policies.

SECTION 9 – COMPLIANCE MONITORING AND REPORTING

9.1 Compliance Monitoring

Non-compliance with this policy may expose the City to the risk of Supplier complaints, reputational damage, Bid disputes, and legal challenges.

Department Heads are required to observe and address non-compliance with this policy within their Departments. Where instances of non-compliance are identified, the Department Head is expected to notify the Head of Procurement Services and obtain advice with respect to mitigating potential risks to the City arising from the non-compliance.

The Head of Procurement Services is responsible for monitoring compliance across the organization. Based on the results of compliance monitoring, reports outlining instances of non-compliance may be issued by the Head of Procurement Services to the relevant Department Head. The Department Head must address the identified compliance concerns and submit a written confirmation of actions taken to the Head of Procurement Services. Ongoing concerns with respect to compliance will be subject to internal audit.

9.2 Audit

All Procurement activities will be subject to audit by the Director Corporate Services / Treasurer.

9.3 Reporting

The Head of Procurement Services will prepare and submit to the CAO an annual report summarizing the City's Procurement activities, in those areas prescribed by the CAO and Director Corporate Services / Treasurer and recommended by Procurement Services.

SCHEDULE A – GLOSSARY OF TERMS

“Bid” means a submission in response to a Solicitation Document, and includes proposals, quotations, or responses.

“Bidder” means a Supplier that submits a Bid, and includes proponents and respondents.

“Chief Administrative Offer” (“CAO”) means the Officer that is responsible for the City.

“Collaborative Agreement” means a competitively procured purchase agreement that is available for use by the Boarder Public Sector.

“City” means the Corporation of the City of Port Colborne.

“Competitive Process” means the solicitation of Bids from multiple Suppliers.

“Contract” means a commitment by the City for the Procurement of Deliverables from a Supplier, which may be evidenced by an agreement executed by the Supplier and the City, or a Purchase Order issued by the City to the Supplier.

“Contract Administrator” means an employee assigned to the management of a Contract.

“Deliverables” means any goods, services, or construction, or combination thereof.

“Department” means the department of the City that is requiring the purchase of the Deliverables.

“Department Head” means an individual officer or employee who is responsible for a specific Department.

“Department Lead” means the Department employee assigned primary responsibility for a procurement.

“Disability” or “Disabilities” shall have the same meaning as set out in the *Ontarios with Disabilities Act, 2001*, or any successor legislation thereto;

“Director of Corporate Services / Treasurer” means the Officer that is responsible for Customer Services, Financial Services, Human Resources, Information Technology and Recreation. Procurement Services reports to Financial Services.

“Head of Procurement Services” means the individual officer or employee who is responsible for Procurement Services.

“Invitational Competition” means a Competitive Process in which an invitation to submit Bids is issued to at least three Suppliers.

“Legal Services” means the City’s legal advisors.

“Low-Value Procurement” means any Procurement of Deliverables with a value below the Low-Value Procurement Threshold set out in Schedule C, except where the Procurement is made through an existing Standing Offer or Qualified Supplier Roster.

“Low-Value Procurement Threshold” means the maximum value for a Procurement of Deliverables that the City may procure without proceeding with an Open Competition.

“Master Framework Agreement” means a master agreement entered into between the City and the prequalified Suppliers that have been included on a Qualified Supplier Roster.

“Non-Standard Procurement” means the acquisition of Deliverables through a process or method other than the standard method required for the type and value of the Deliverables. Non-standard Procurement methods include:

- (a) acquiring Deliverables directly from a particular Supplier without conducting a Competitive Process when an Invitational Competition or an Open Competition would normally be required; and
- (b) soliciting Bids from a limited number of Suppliers without conducting an open prequalification process when an Open Competition would normally be required.

“Open Competition” means the solicitation of Bids through a publicly posted Solicitation Document.

“Open Competition Threshold” means the minimum value for a Procurement of that the City must procure using an Open Competition.

“Open Framework Competition” means the Competitive Process used to establish a Qualified Supplier Roster and provide for an ongoing application process during the term of the Qualified Supplier Roster, as further described in the Qualified Supplier Rosters Protocol.

“Performance Evaluation Report” means a report evaluating a Supplier’s performance in accordance with the Supplier Performance Evaluation Protocol, and includes both Interim and Final Performance Evaluation Reports.

“Procurement” means the acquisition of Deliverables by purchase, rental, or lease.

“Procurement Plan” means the plan developed by a Department at the outset of an Invitational Competition or Open Competition in accordance with the Competitive Procurement Planning Protocol.

“Procurement Review Committee” (“PRC”) means the committee established by the City under the Procurement Policy for the purposes of considering and making determinations on procurement-related matters, including determinations under the Non-Standard Procurement Protocol, the Procurement Protest Protocol, and the Supplier Suspension Protocol.

“Procurement Services” means the branch, department, division, or unit responsible for purchasing Deliverables for the City.

“Procurement Value” means the maximum total value of the Deliverables being procured, and it must include all costs to the City, including, as applicable, acquisition, maintenance, replacement, and disposal; training, delivery, and installation; and extension options, less applicable rebates or discounts and exclusive of sales taxes.

“Purchase Order” means the City’s written document issued by a duly authorized employee of the City to a Supplier formalizing all the terms and conditions of the purchase and supply of the Deliverables identified on the face of the Purchase Order.

“Purchasing Card” means a credit card provided by the City to authorized officers and employees for use as a payment method to purchase directly from Suppliers where permitted under the Procurement Policy and in accordance with any cardholder agreement and applicable procedures.

“Qualified Supplier Roster” means a list of Suppliers that have participated in and successfully met the requirements of a Request for Supplier Qualifications (“RFSQ”) and have therefore been prequalified to perform discrete work assignments involving the delivery of a particular type of deliverable. The Suppliers that qualify for inclusion on the Qualified Supplier Roster will enter into a Master Framework Agreement and will be eligible to participate in Roster Competitions, as and when the goods or services are required.

“Request for Information” or “RFI” means a market research initiative for the collection of data for the purposes of future Procurement planning.

“Roster Competition” means an expedited, invitational competition between Suppliers that have been included on a Qualified Supplier Roster for the selection of a Supplier to perform a discrete work assignment during the term of the roster.

“Solicitation Document” means the document issued by the City to solicit Bids from Bidders.

“Standing Offer” means a written offer from a pre-approved Supplier to supply Deliverables to the City, upon request, through the use of an ordering process during a particular period of time, at a predetermined price or discount, within a predefined dollar limit. The Standing Offer does not create a contractual commitment from either party for a defined volume of business. The commitment to purchase against a Standing Offer is formed at the time a specific order is placed through the issuance of a Purchase Order to the Supplier.

“Supplier” means a person carrying on the business of providing Deliverables.

“Total Cumulative Increase” means the total value of all increases to the original Procurement Value, including the value of all previously approved amendments and the value of the proposed amendment.

SCHEDULE B – EXCLUSIONS

1. Excluded Acquisitions and Expenditures

- (a) This policy does not apply to Contracts or agreements for the sale, purchase, lease, or licence of land or existing buildings.
- (b) This policy does not apply to the acquisition of the following Deliverables:
 - i. services provided by licensed lawyers or notaries;
 - ii. services of expert witnesses or factual witnesses used in court of legal proceedings;
 - iii. goods intended for resale to the public;
 - iv. goods purchased on a commodity market;
 - v. works of art; and
 - vi. subscriptions to newspapers, magazines, or other periodicals.
- (c) This policy does not apply to Contracts or agreements relating to hiring of employees or employee compensation or reimbursement of employee expenses.
- (d) This policy does not apply to payment of the City's general excluded expenses, such as:
 - i. WSIB Remittance
 - ii. Banking Services
 - iii. Physician Expenses

SCHEDULE C – PROCUREMENT THRESHOLDS**Table 1 – Low-Value Procurement Thresholds**

Goods	Below \$25,000
Services	Below \$25,000
Construction	Below \$50,000

Table 2 – Invitational Competition Thresholds

Goods	\$25,000 to \$100,000
Services	\$25,000 to \$100,000
Construction	\$50,000 to \$250,000

Table 3 – Open Competition Thresholds

Goods	\$100,000 and above
Services	\$100,000 and above
Construction	\$250,000 and above

SCHEDULE D – AUTHORIZATION SCHEDULE

A. STANDARD PROCUREMENT

Table 1 – Table of Authority

Procurement Method	Authorize Procurement	Delegated Authority to Procure
Order from Existing Standing Offer	Department Head	Department Lead
Roster Competition < \$100K	Department Head	Department Lead and Head of Procurement Services
Roster Competition ≥ \$100K	Director of Corporate Services / Treasurer	Department Head and Head of Procurement Services
Low-Value Procurement	Department Head or designate	Department Lead
Invitational Competition	Department Head	Department Lead and Head of Procurement Services
Open Competition < \$1M	Director of Corporate Services / Treasurer	Department Head and Head of Procurement Services
Open Competition ≥ \$1M	CAO	Department Head and Director of Corporate Services / Treasurer

1. Authorization Process

- (a) The Department Lead completes the Procurement Authorization Form and submits it to the Department Head.
- (b) The Department Head reviews and approves the Procurement Authorization Form.
- (c) If the Procurement Value is less than \$100,000, the Department Head may authorize the Procurement and delegate the authority to procure in accordance with the table above.
- (d) If the Procurement Value is equal to or greater than \$100,000, the Department Head submits the Procurement Authorization Form to the Director of Corporate Services / Treasurer or CAO, in accordance with the table above. The Director of Corporate Services / Treasurer or CAO authorize the Procurement and delegate the authority to procure in accordance with the table above.
- (e) No Procurement may be authorized unless sufficient funding is available in an approved budget, unless authorized by CAO.

2. Delegated Authority to Procure

The delegation of authority to procure includes the authority to:

- (a) conduct the Procurement process in accordance with this policy and applicable protocols.
- (b) approve the Procurement document(s) for a Competitive Process;
- (c) approve the selection of qualified Bidders in a multi-stage Open Competition;
- (d) approve the establishment of qualified Supplier rosters in an Open Framework Competition; and
- (e) approve the award of the Contract.

3. Conditions of Delegated Authority to Procure

Delegated authority to procure is subject to the following conditions:

- (a) No Procurement may be initiated unless approved funding in an amount sufficient to cover the Procurement Value is available.
- (b) In the case of a multi-stage Open Competition or an Open Framework Competition, qualified Bidders are selected in accordance with the evaluation and selection process set out in the Solicitation Document.
- (c) No Contract award may be approved unless:
 - i. sufficient funding is available in an approved budget;
 - ii. the Procurement process was conducted through the standard Procurement method, as determined in accordance with this policy;
 - iii. the Procurement process was conducted in accordance with this policy and all applicable protocols; and
 - iv. in the case of a Competitive Process, the Contract is awarded to the top-ranked Bidder, as determined in accordance with the evaluation and selection process set out in the Solicitation Document.

Where the authority to procure is delegated to multiple individuals, all those individuals must be satisfied that the above conditions of delegated authority are met.

4. CAO Authority

If any of the applicable conditions of delegated authority are not met, CAO approval must be obtained before proceeding with any Procurement activity.

B. NON-STANDARD PROCUREMENT**Table 2 – Table of Authority**

Procurement Value	Authorize Procurement	Delegated Authority to Procure
< Open Competition Threshold	Director of Corporate Services / Treasurer and CAO	Department Head, Head of Procurement Services and PRC
≥ Open Competition Threshold	Council	Department Head, Head of Procurement Services, PRC, Director of Corporate Services / Treasurer and CAO

1. Authorization Process

- (a) The Department Lead completes the Non-Standard Procurement Authorization Form and submits it to the Department Head.
- (b) The Department Head reviews and approves the Non-Standard Procurement Authorization Form.
- (c) If the Procurement Value is less than the applicable Open Competition Threshold, the Department Head submits the Non-Standard Procurement Authorization Form to the PRC. The PRC reviews and addresses any concerns with the Department Head.
- (d) If the Procurement Value is equal to or greater than the applicable Open Competition Threshold, the PRC and the Department Head submits a report to Council for authority to proceed with the procurement. Council may authorize the Procurement and delegate the authority to procure to the Department Head.
- (e) No Procurement may be authorized unless sufficient funding is available in an approved budget, unless authorized by the CAO.

2. Delegated Authority to Procure

In the case of a Non-Standard Procurement, the delegation of authority to procure includes the authority to negotiate and finalize the Contract with the selected Supplier.

No Contract may be finalized unless sufficient funding is available in an approved budget.

C. CONTRACT ISSUANCE OR EXECUTION

1. Authorized Signatories

The Head of Procurement Services has delegated authority to issue Purchase Orders on behalf of the City.

The following individuals have delegated authority to execute legal agreements on behalf of the City:

Table 3 – Authorized Signatories

Procurement Value	Authorized Signatory
< \$25,000 (Goods & Services)	Department Head
< \$50,000 (Construction)	Department Head
≥ \$25,000 & < \$100,000 (Goods and Services)	Department Head; and Director of Corporate Services / Treasurer or Director of Public Works
> \$50,000 < \$250,000 (Construction)	Note: if Director of Corporate Services / Treasurer is also Department Head then CAO authorizes.
≥ \$250,000	Department Head and CAO

2. Review and Execution Process

In accordance with the delegated authority to procure, the authorized individual(s):

- (a) approves the award of the Contract;
- (b) confirms all pre-conditions of award are met;
- (c) assembles all Contract documents;
- (d) provides the Contract documents to Legal Services for review;
- (e) Legal Services reviews all contracts greater than the applicable Open Competition Threshold;
- (f) The agreement is signed by the Authorized Signatory.

3. Pre-Approval of Standard Term Contracts

- (a) Legal Services may approve standard term Contract documents, including Purchase Order terms, standard forms of agreement, and supplementary terms and conditions for use in specified circumstances and subject to established conditions.

Where pre-approved standard term Contract documents are used in accordance with specified circumstances and established conditions, and without modification to any terms and conditions,

the Head of Procurement Services may issue the Purchase Order and the Authorized Signatory may sign the agreement without further review by Legal Services.

D. CONTRACT AMENDMENTS

Table 4 – Table of Authority if Total Cumulative Increase is Less Than 20% of Original Procurement Value

Total Cumulative Increase	Authorize Amendment
< Open Competition Threshold	Department Head
≥ Open Competition Threshold	PRC

Table 5 – Table of Authority if Total Cumulative Increase is Equal to or More Than 20% of Original Procurement Value

Total Cumulative Increase	Authorize Amendment
< Open Competition Threshold	CAO
≥ Open Competition Threshold	Council

Total Cumulative Increase means the total value of all increases to the original Procurement Value, including the value of all previously approved amendments and the value of the proposed amendment.

1. Authorization Process

- (a) The Contract Administrator completes the Contract Amendment Authorization Form.
- (b) If the Procurement Value is less than the applicable Open Competition Threshold, the Contract Administrator obtains the appropriate authority based on the above tables. If the amendment must be authorized by the CAO, the Contract Amendment Authorization Form must first be approved by the Department Head.
- (c) If the Total Cumulative Increase is equal to or greater than the applicable Open Competition Threshold, the Contract amendment must be treated as a Non-Standard Procurement and the Contract Amendment Authorization Form must be reviewed by the PRC. The PRC reviews and addresses any concerns with the Department Head. Once any concerns have been resolved or noted on the Contract Amendment Authorization Form, the PRC submits the Form to the appropriate authority based on the above tables.
- (d) No Contract amendment may be authorized unless sufficient funding is available in an approved budget, unless authorized by the CAO.

SCHEDULE E – SUPPLIER CODE OF CONDUCT

The City requires its Suppliers to act with integrity and conduct business in an ethical manner. The City may refuse to do business with any Supplier that has engaged in illegal or unethical bidding practices, has an actual or potential conflict of interest or an unfair advantage, or fails to adhere to ethical business practices.

Suppliers are responsible for ensuring that any employees, representatives, agents, or subcontractors acting on their behalf conduct themselves in accordance with this Supplier Code of Conduct. The City may require the immediate removal and replacement of any individual or entity acting on behalf of a Supplier that conducts themselves in a manner inconsistent with this Supplier Code of Conduct. The City may refuse to do business with any Supplier that is unwilling or unable to comply with such requirement.

A. ILLEGAL OR UNETHICAL BIDDING PRACTICES

Illegal or unethical bidding practices include:

- (a) bid-rigging, price-fixing, bribery or collusion, or other behaviours or practices prohibited by federal or provincial statutes;
- (b) offering gifts or favours to the City's officers, employees, appointed or elected officials, or any other representative of the City;
- (c) engaging in any prohibited communications during a Procurement process;
- (d) submitting inaccurate or misleading information in a Procurement process; and
- (e) engaging in any other activity that compromises the City's ability to run a fair Procurement process.

The City will report any suspected cases of collusion, bid-rigging, or other offences under the *Competition Act* to the Competition Bureau or to other relevant authorities.

B. CONFLICTS OF INTEREST

All Suppliers participating in a Procurement process must declare any perceived, possible, or actual conflicts of interest.

The term "conflict of interest," when applied to Suppliers, includes any situation or circumstance where:

- (a) in the context of a Procurement process, the Supplier has an unfair advantage or engages in conduct, directly or indirectly, that may give it an unfair advantage, including but not limited to:
 - i. having, or having access to, confidential information of the City that is not available to other Suppliers;
 - ii. having been involved in the development of the Procurement document, including having provided advice or assistance in the development of the Procurement document;

- iii. receiving advice or assistance in the preparation of its response from any individual or entity that was involved in the development of the Procurement document;
 - iv. communicating with any person with a view to influencing preferred treatment in the Procurement process (including but not limited to the lobbying of decision-makers involved in the Procurement process); or
 - v. engaging in conduct that compromises, or could be seen to compromise, the integrity of an open and competitive Procurement process or render that process non-competitive or unfair; or
- (b) in the context of performance under a potential Contract, the Supplier's other commitments, relationships, or financial interests:
- i. could, or could be seen to, exercise an improper influence over the objective, unbiased, and impartial exercise of its independent judgment; or
 - ii. could, or could be seen to, compromise, impair, or be incompatible with the effective performance of its contractual obligations.

Where a Supplier is retained to participate in the development of a Solicitation Document or the specifications for inclusion in a Solicitation Document, that Supplier will not be allowed to respond, directly or indirectly, to that Solicitation Document.

C. ETHICAL BUSINESS PRACTICES

In providing Deliverables to the City, Suppliers are expected to adhere to ethical business practices, including:

- (a) performing all Contracts in a professional and competent manner and in accordance with the terms and conditions of the Contract and the duty of honest performance;
- (b) complying with all applicable laws, including safety and labour codes (both domestic and international as may be applicable); and
- (c) providing workplaces that are free from harassment and discrimination.

Procurement Planning Protocol

1. Purpose and Interpretation

The purpose of this protocol is to assist Departments in planning for a Procurement process. Defined terms used in this protocol have the meaning assigned in the Glossary of Terms (Schedule A) in the Procurement Policy.

2. Determining Requirements

The Department must clearly identify what is to be procured. A concise initial mapping statement describing the required Deliverables will be used to develop clear business requirements and detailed specifications.

3. Market Research

If the Department is uncertain about the Deliverables required or if there is insufficient internal knowledge about the market, the Department must consult with Procurement Services about conducting a Request for Information (“RFI”) process.

4. Supply Arrangements for Recurring Requirements

Before initiating a procurement, Departments must consider the availability of existing supply arrangements, as described below.

If the Deliverables will be required on a frequent or regularly recurring basis, and there is no existing supply arrangement, the Department must consult with Procurement Services about the possibility of establishing a Standing Offer or Qualified Supplier Roster.

5. Determining Procurement Value

The Department must accurately estimate the value of the procurement.

The Procurement Value means the maximum total value of the Procurement over the entire duration of the Contract, whether awarded to one or more Suppliers, taking into account all forms of remuneration, including:

- (a) all premiums, fees, commissions, and interest; and
- (b) the total value of all possible options, including any options for renewal or extension of the term of the Contract (for example, a two-year Contract with an option to renew for an additional one-year period) and any options to purchase additional Deliverables (for example, the Contract is for the initial purchase of two pieces of equipment with an option to purchase up to an additional four pieces of equipment during the term of the Contract) or any potential add-ons or upgrades that may be provided under the Contract.

The total value must include all costs to the City for all goods and services to be supplied under the Contract(s), including, if applicable, delivery, installation, training, operation, maintenance, replacement, and disposal, but excluding applicable sales taxes.

If multiple Contracts are entered into for the same Deliverables, the Procurement Value is the total value of all the Contracts for the same Deliverables entered on an annual basis.

In estimating the Procurement Value, Departments are strongly encouraged to err on the side of caution and ensure that the Procurement is appropriately streamed. For example, if it is foreseeable that all Bids may come in over the Open Competition Thresholds, an Open Competition should be used. Failure to accurately estimate the Procurement Value may result in situations where an inappropriate Procurement method is used, potentially resulting in the need to cancel the Procurement process and a significant delay in the acquisition of the required Deliverables.

If the Department is unsure how to determine the value of a particular procurement, it must consult with Procurement Services. Dividing procurements or using valuation methods with the intention of reducing the Procurement Value is strictly prohibited.

6. Approved Budget

Before initiating a procurement, the Department must ensure that sufficient funding is available from an approved funding source.

7. Procurement Method and Process for Initiation

Different types of Procurement processes may be used depending on the nature, value, and circumstances of the procurement. Departments are not permitted to procure Deliverables or engage with potential Suppliers regarding the Procurement of Deliverables without the involvement of Procurement Services, unless:

- (a) the table below specifies that the involvement of Procurement Services is not required; or
- (b) the Head of Procurement Services has expressly authorized the Department to proceed without the involvement of Procurement Services.

The table set out below must be used to identify the appropriate Procurement method and the process for initiating the Procurement process.

Procurement Method	Initiation of Procurement
Low-Value Procurement: Procurement Value is below the Low-Value Procurement Threshold and the Deliverables are not available under an existing Standing Offer or Qualified Supplier Roster	Involvement of Procurement Services is not required. Refer to Section 6.7.2 of the Procurement Policy

Procurement Method	Initiation of Procurement
<p>Order from existing Standing Offer: Deliverables are available under an existing Standing Offer</p>	<p>Complete the Procurement Authorization Form in Appendix A and submit to Procurement Services. Upon receipt of the Procurement Authorization Form, Procurement Services will place the order through the issuance of a Purchase Order.</p>
<p>Roster Competition: Deliverables are available under an existing Qualified Supplier Roster</p>	<p>Complete the Procurement Authorization Form in Appendix A and submit to Procurement Services. Upon receipt of the Procurement Authorization Form, Procurement Services will contact the Department Lead to discuss the requirements and confirm the appropriate process in accordance with the Qualified Supplier Roster Protocol.</p>
<p>Invitational Competition: Procurement Value is within the Invitational Competition Thresholds set out in Schedule C of the Procurement Policy and the Deliverables are not available under an existing Standing Offer or Qualified Supplier</p>	<p>Complete the Procurement Authorization Form in Appendix A and submit to Procurement Services. Upon receipt of the Procurement Authorization Form, Procurement Services will contact the Department Lead to discuss the requirements and, if necessary, schedule a planning meeting. The Department should complete the Procurement Plan for Invitational Competition, as described below in Section 8, and consult with Procurement Services, as required.</p>
<p>Open Competition: Procurement Value is equal to or exceeds the Open Competition Threshold set out in Schedule C of the Procurement Policy and the Deliverables are not available under an existing Standing Offer or Qualified Supplier</p>	<p>Complete the Procurement Authorization Form in Appendix A and submit to Procurement Services. Upon receipt of the Procurement Authorization Form, Procurement Services will contact the Department Lead to schedule a planning meeting. The Department Lead should begin preparing the information required to complete the Procurement Plan for Open Competition, as described below in Section 8. The Department must work with Procurement Services to complete the Procurement Plan.</p>
<p>Non-Standard Procurement: A Non-Standard Procurement is justified in accordance with the Non-Standard Procurement Protocol</p>	<p>Follow the Non-Standard Procurement Protocol and complete the Non-Standard Procurement Authorization Form in Appendix A of the Non-Standard Procurement Protocol to obtain authority to initiate the procurement.</p>

8. Detailed Procurement Plan for Competitive Process

The Department is responsible for developing a detailed Procurement Plan for all Competitive Processes. It must complete Procurement Plan for Invitational Competition (Appendix B) or Procurement Plan for Open Competition (Appendix C).

The Procurement Plan must be reviewed and approved by Procurement Services before the Solicitation Document can be assembled. Departments are strongly encouraged to consult with and involve Procurement Services during the development of the Procurement Plan to avoid unnecessary delay in the review and approval process.

Detailed Procurement planning is focused on five key design planning questions:

8.1 What Are We Buying?

(a) Requirements and specifications: The Department is responsible for drafting clear, detailed business requirements and specifications that encourage open, fair, and transparent competition. Consult the Document Drafting Protocol for additional guidance in developing appropriate requirements and specifications.

(b) Material Disclosures: In order to solicit competitive and responsive pricing during a Competitive Process, it is essential that Bidders know all material information relating to the procurement. The Department's subject matter experts must provide all information that is material to the procurement, and they should consult the Document Drafting Protocol for additional guidance.

8.2 What Is the Pricing Structure?

The Department is responsible for developing a clear pricing structure. Consult the Document Drafting Protocol for a description of various pricing structures and the factors to consider in developing the appropriate pricing structure for the procurement.

8.3 What Is the Evaluation Plan?

The Department, in consultation with Procurement Services, is responsible for developing an evaluation plan. Consult the Document Drafting Protocol for a description of various evaluation methodologies and the factors to consider in developing the appropriate evaluation plan for the procurement.

8.4 What Are the Contract Terms? Can They Be Predefined, or Will Negotiation Be Needed?

The Department must consider whether or not all the Contract requirements and performance terms and conditions can be clearly defined in advance and incorporated into the call for Bids to permit the finalization of the Contract with the successful Bidder without negotiations. The Department should consult with Legal Services regarding the use of standard form Contracts.

8.5 What Is the Appropriate Form of Solicitation Document?

The Department and Procurement Services will determine the most appropriate Solicitation Document format. Departments should review the descriptions of the different formats that are set out in the

Format Selection Protocol and use the questionnaire and checklist included there to identify the appropriate Solicitation Document format for the procurement.

9. Major Projects

A major project is a Procurement that is of a value, complexity, risk level, or public profile that requires that it be given a significant allocation of attention and time from the Department and Procurement Services, as well as the potential involvement of other stakeholders.

When conducting a major project, Departments, in consultation with Procurement Services, must consider the following additional potential needs:

- (a) the retention of external advisors where there are insufficient internal resources to assist in developing specifications or business requirements;
- (b) the appointment of an internal project lead to co-ordinate input from multiple Departments or stakeholders;
- (c) the early involvement of Legal Services to ensure that all legal and risk considerations are appropriately addressed; and
- (d) the engagement of a fairness consultant where the major project is high profile or controversial or involves a particularly complex Supplier selection process.

APPENDIX A – PROCUREMENT AUTHORIZATION FORM

Department:	
Department Lead:	
Date:	

Estimated Procurement Value:	
Funding Source:	
Procurement Method:	<input type="checkbox"/> Existing Standing Offer <input type="checkbox"/> Roster Competition <input type="checkbox"/> Invitational Competition <input type="checkbox"/> Open Competition

Initial Mapping Statement

Describe the procurement. What is being purchased?

Background

Describe any relevant background information (for example, What gave rise to the need for the procurement? Is the Procurement part of a larger project? What is the history of the project? What stage is the project at?).

Market Research

Is further market research necessary to appropriately define the required Deliverables?

☐ No

☐ Yes

If yes, consult with Procurement Services about the issuance of a Request for Information ("RFI") prior to proceeding.

Existing Standing Offer or Qualified Supplier Roster

Is there an existing Standing Offer or Qualified Supplier Roster for the required Deliverables?

☐ No

☐ Yes

Repetitive Procurement

Are the Deliverables required on a frequent or regularly recurring basis?

For example, do you require the same Deliverables more than once a year or at regular intervals (for example, monthly or annually) or are you aware of other Departments that may require the same Deliverables?

☐ No

☐ Yes

Procurement Authorization

All Procurement Authorization Forms must be approved in accordance with the Authorization Schedule.

Authorized by the Department Head:	Signature: _____
	Name: _____
	Title: _____
	Date: _____

If authorization of the Procurement Review Committee is required, each member must sign below.

If authorization of CAO is required, the CAO approval must be attached.

Signature: _____

Name: _____

Title: _____

Date: _____

Signature: _____

Name: _____

Title: _____

Date: _____

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Signature: _____

Name: _____

Title: _____

Date: _____

APPENDIX B – PROCUREMENT PLAN FOR INVITATIONAL COMPETITION

Requirements and Specifications

Attach the detailed requirements and specifications for the required Deliverables. *Refer to the Document Drafting Protocol for guidance.*

Material Disclosures

Provide all material information relating to the Procurement that Bidders will need to know in order to submit a Bid. *Refer to the Document Drafting Protocol for guidance.*

Pricing Structure

Select the appropriate pricing structure. *Refer to the Document Drafting Protocol for guidance.*

- ☐ Lump sum
 - ☐ With adjustments
 - ☐ Without adjustments
- ☐ Unit prices
 - ☐ With adjustments
 - ☐ Without adjustments
- ☐ Time and materials
 - ☐ With upset limit
 - ☐ Without upset limit
- ☐ Budget-based set price
- ☐ Licence fees
- ☐ Life-cycle costing
- ☐ Other: _____

Evaluation Plan

Select the method of evaluation that will be used to select the successful Supplier. *Refer to the Document Drafting Protocol for guidance.*

- ☐ Price only: selection of lowest-priced compliant Bidder
- ☐ Evaluated criteria: selection of highest-scoring compliant Bidder

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What criteria should be considered in the evaluation? How much weight should each of the criteria be given (points out of 100)? What information should the Bidder provide for you to evaluate?

Criteria	Points Available	Information for Evaluation
Price		
Total	100	

☐ Other: _____

Contract Terms

What form of Contract will be used to Contract with the selected Bidder?

☐ City's standard form of agreement for _____.

☐ Industry Standard Contract or Lease Agreement

☐ A Purchase Order will be issued, and a legal agreement is not required.

Solicitation Document Format

Indicate the Solicitation Document format to be used.

The Invitational Request for Quotation ("RFQ") format is typically used for Invitational Competitions. If the Department Lead wishes to use a different format, please consult with Procurement Services.

☐ Invitational RFQ

☐ Other format: _____

Number of Suppliers

Indicate the number of Suppliers that will be invited to submit Bids.

A minimum of three Suppliers must be invited to submit Bids. If fewer than three Suppliers will be invited, it is a Non-Standard Procurement and the Non-Standard Procurement Protocol must be followed.

☐ Three

☐ Other number: _____

Selection of Suppliers to Participate

Explain how/why the particular Suppliers will be chosen to participate.

Method of Submitting Bids

Indicate the method by which Suppliers will be instructed to submit their Bids.

- ☐ Email
- ☐ Electronic Bid submission platform
- ☐ Mail / Courier delivery

Preliminary Schedule

Fill in estimated dates or time periods for the events below.

Issue Solicitation Document	
Bid Submission Deadline	
Evaluation Period	
Contract Award	
Contract Start Date	

APPENDIX C – PROCUREMENT PLAN FOR OPEN COMPETITION

The Department should begin preparation of the Procurement Plan for review and discussion with Procurement Services during the planning meeting(s). Procurement Services will work with the Department to finalize the Procurement Plan.

Requirements and Specifications

Are you able to precisely describe and prescribe all specifications or do you want Bidders to propose solutions?

- ☐ All specifications will be prescribed.
- ☐ Bidders will be asked to propose solutions.

Attach the requirements and specifications for the required Deliverables. Identify any mandatory technical requirements. *Refer to the Document Drafting Protocol for guidance.*

Material Disclosures

Provide all material information relating to the Procurement that Bidders will need to know in order to submit a Bid. *Refer to the Document Drafting Protocol for guidance.*

Pricing Structure

Select the appropriate pricing structure. *Refer to the Document Drafting Protocol for guidance.*

- ☐ Lump sum
- ☐ With adjustments
- ☐ Without adjustments
- ☐ Unit prices
- ☐ With adjustments
- ☐ Without adjustments
- ☐ Time and materials
- ☐ With upset limit
- ☐ Without upset limit
- ☐ Budget-based set price
- ☐ Licence fees
- ☐ Life-cycle costing
- ☐ Other: _____

Evaluation Plan

Do you want to proceed directly with the solicitation of Bids, or do you want to narrow the field of Suppliers through a prequalification process?

- ☐ Solicit Bids from all potential Suppliers.
- ☐ Prequalify the Suppliers that will be eligible to Bid.

Select the method of evaluation that will be used to select the successful Supplier. *Refer to the Document Drafting Protocol for guidance.*

- ☐ Price only – selection of lowest-priced compliant Bidder
- ☐ Evaluated criteria – selection of highest-scoring compliant Bidder

What criteria should be considered in the evaluation? How much weight should each of the criteria be given (points out of 100)? Do you want to require the Bidder to obtain a minimum score for all or certain criteria? What information should the Bidder provide for you to evaluate?

Criteria	Points Available	Minimum Score	Information for Evaluation
Price			
Total	100		

Contract Terms

How will the Contract with the selected Bidder be formed?

- ☐ Selected Bidder will be required to enter into predefined Contract.

All of the Contract requirements and performance terms and conditions can be clearly defined in advance and incorporated into the Solicitation Document to permit the finalization of the Contract with the successful Bidder without negotiations.

What form of Contract will be included in the Solicitation Document?

- ☐ City's standard form of agreement for _____.
- ☐ Customized form of agreement to be prepared by Legal Services.
- ☐ A Purchase Order will be issued, and a legal agreement is not required.

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☐ Contract will be finalized through negotiation with the selected Bidder.

There may be a need to negotiate some Contract requirements and performance terms and conditions to ensure that the final Contract is appropriately tailored to the proponent's proposed solution.

What form of Contract will be included in the Solicitation Document as a starting point for the negotiations?

☐ City's standard form of agreement for _____.

☐ Customized form of agreement or term sheet to be prepared by Legal Services.

Solicitation Document Format

Indicate the Solicitation Document format to be used. *Select the appropriate format using the Format Selection Protocol.*

☐ RFQ (Low Bid)

☐ RFQ (High Score)

☐ ITT

☐ No-Negotiation (Contract A) RFP

☐ Consecutive Negotiation (Rank and Run) RFP

☐ Concurrent Negotiation (Dialogue/BAFO) RFP

☐ RFSQ (Prequalification) followed by ITT

☐ RFSQ (Prequalification) followed by RFQ

☐ RFSQ (Prequalification) followed by No-Negotiation (Contract A) RFP

☐ RFSQ (Prequalification) followed by Negotiated RFP

☐ RFSQ (Roster Framework) followed by customized second-stage selection protocol

Preliminary Schedule

Fill in estimated dates or time periods for the events below.

Rows shaded in **blue** are completed only if conducting a two-stage process (for example, RFSQ followed by ITT, RFQ, or RFP). Rows shaded in **green** are completed only if conducting a Concurrent Negotiation (Dialogue/BAFO) RFP process.

Development of Solicitation Document	
Posting of Solicitation Document	

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Bid Submission Deadline	
Evaluation Period	
Selection of Prequalified Bidders	
Issuance of Second-Stage Solicitation Document	
Second-Stage Evaluation Period	
Selection of Short-Listed Proponents	
Concurrent Negotiations and Submission of BAFOs	
Evaluation of BAFOs	
Contract Negotiation (for Negotiated RFP only)	
Contract Award	
Contract Start Date	

Format Selection Protocol

1. Purpose and Interpretation

The purpose of this protocol is to provide assistance and direction for selecting the appropriate Solicitation Document format for a procurement. Defined terms used in this protocol have the meaning assigned in the Glossary of Terms (Schedule A) in the Procurement Policy.

2. Forms of Template Solicitation Documents

Procurement Services maintains a series of Solicitation Document templates. Forms of Solicitation Documents include the following:

- **Invitational Request for Quotations (“RFQ”)** – This format is for use in an Invitational Competition for the Procurement of goods, services, or construction where Bids will be solicited from a limited number of Suppliers, and the evaluation and ranking of Bidders will be based on either lowest price or the scoring of simple evaluation criteria.
- **Request for Quotations (“RFQ”) – Low-Bid Version** – This format is for use in a simplified Open Competition for the Procurement of standard goods, services, or construction on the basis of lowest price and standardized Contract terms that will not require negotiation.
- **Request for Quotations (“RFQ”) – High-Score Version** – This format is for use in an Open Competition for the Procurement of standard goods, services, or construction on the basis of straightforward high-score evaluation criteria and standardized Contract terms that will not require negotiation.
- **Invitation to Tender (“ITT”)** – This format is for use in an Open Competition for the Procurement of goods or construction where there is a need for legally binding, irrevocable Bids, typically supported by bid security, and price is the primary consideration. This format must include well-defined specifications, requirements, and Contract terms and conditions, as post-bid negotiations are not permitted.

When using the ITT format, it is strongly recommended that a prequalification process be conducted to ensure that only qualified Bidders are eligible to respond to the ITT. See below for information regarding the Request for Supplier Qualifications (“RFSQ”) – Prequalification Version.

- **No-Negotiation (Contract A) Request for Proposals (“RFP”)** – This format is for use in an Open Competition for the Procurement of goods, services, or construction where there is a need for legally binding, irrevocable Bids and where factors other than price will be evaluated. This format must include well-defined specifications, requirements, and Contract terms and conditions, as post-bid negotiations are not permitted.
- **Consecutive Negotiation (Rank and Run) Request for Proposals** – This format is for use in an Open Competition for the Procurement of goods, services, or complex construction projects where proposals will be ranked on price and non-price factors and the top-ranked proponent will be invited to negotiate the final Contract. The rules of the process provide that if the negotiations with the top-ranked proponent fail, the City can proceed to negotiate with the next-ranked proponent. This format allows for a more flexible process to encourage innovative and creative proposals that may help

inform the development of final specifications or performance terms through the negotiation of the final Contract with the selected proponent.

- **Concurrent Negotiation (Dialogue/Best and Final Offer (“BAFO”)) Request for Proposals** – This format is for use in an Open Competition for the Procurement of goods, services, or complex construction projects where proposals will be ranked on price and non-price factors to create a short-list of proponents that will be invited to engage in negotiations or discussions with the City prior to submitting a best and final offer (“BAFO”) for further evaluation and final ranking. This format allows for a more flexible process to encourage innovative and creative proposals and is particularly useful where the nature of the project may allow for a variety of potential approaches and solutions that the City could consider and use to refine the requirements prior to the submission of BAFOs and to the final ranking and selection of Bidders.
- **Request for Supplier Qualifications (“RFSQ”) – Prequalification Version** – This format is used to prequalify Suppliers in the first stage of a two-stage Open Competition. Bidders who meet the requirements of the RFSQ are eligible to participate in the second-stage Procurement process and are invited to respond to a subsequent Solicitation Document.
- **Request for Supplier Qualifications (“RFSQ”) – Roster Framework Version** – This format is for use in an Open Framework Competition to prequalify Suppliers that will be invited to compete in multiple second-stage Procurement processes for the same type of Deliverables. Those Suppliers that qualify in the first stage of the process will be invited to enter into Master Framework Agreements that will govern any future work assignments awarded to them.

3. Selection Factors

Key factors to consider in choosing the appropriate Solicitation Document format include:

- (a) value and complexity of the purchase;
- (b) whether bid security is required – irrevocable Bids and bid security should be required only where there are legitimate business reasons for doing so; and
- (c) whether Bidder responses may inform the final specifications or performance terms, and whether the final Contract will need to be negotiated with the top-ranked Bidder.

The ITT and the No-Negotiation RFP formats require Bidders to submit irrevocable Bids and give rise to a legally binding Procurement Contract called “Contract A.” Bids are considered irrevocable when the Solicitation Document requires that Bidders be bound to their Bid prices or that Bids remain open for acceptance for a fixed period of time. All terms of the purchase Contract (in other words, “Contract B”) must be included in the ITT and the No-Negotiation RFP and cannot be negotiated or amended after the closing deadline. When a Contract-A format is used, the risk to the City is greatly increased, and all employees involved in the Procurement project should ensure that they fully understand the City’s legal obligations when using these formats.

4. Selection Tools

Use the Format Selection Questionnaire (Appendix A) to assist with the selection of the appropriate format for the Procurement project. Use the Procurement Format Checklist (Appendix B) to confirm that

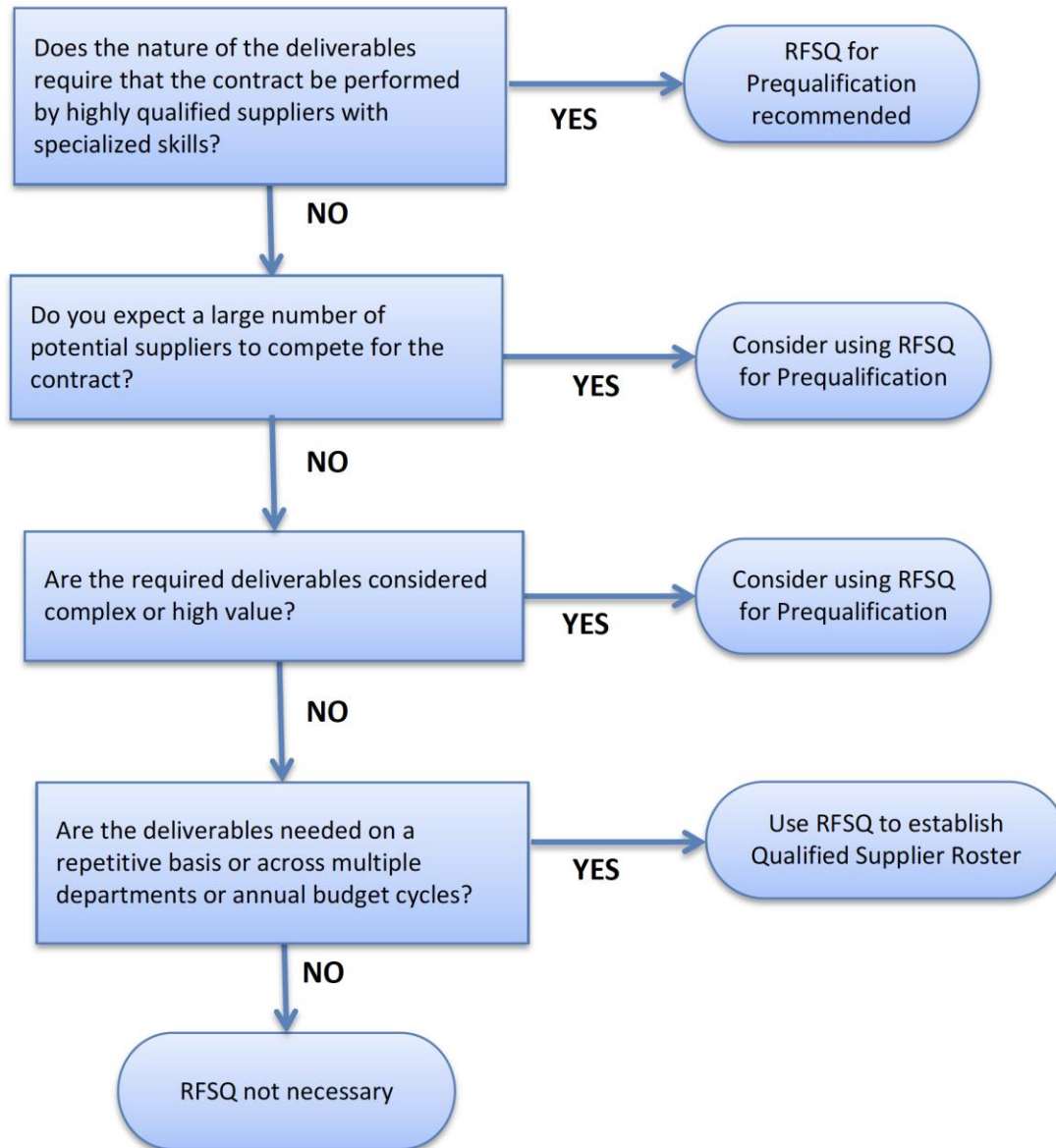
all requirements for the selected format apply to your Procurement project. If you cannot check off all items listed below the selected format, consult with Procurement Services for additional guidance and assistance in selecting the appropriate format.

5. Market Research Tool

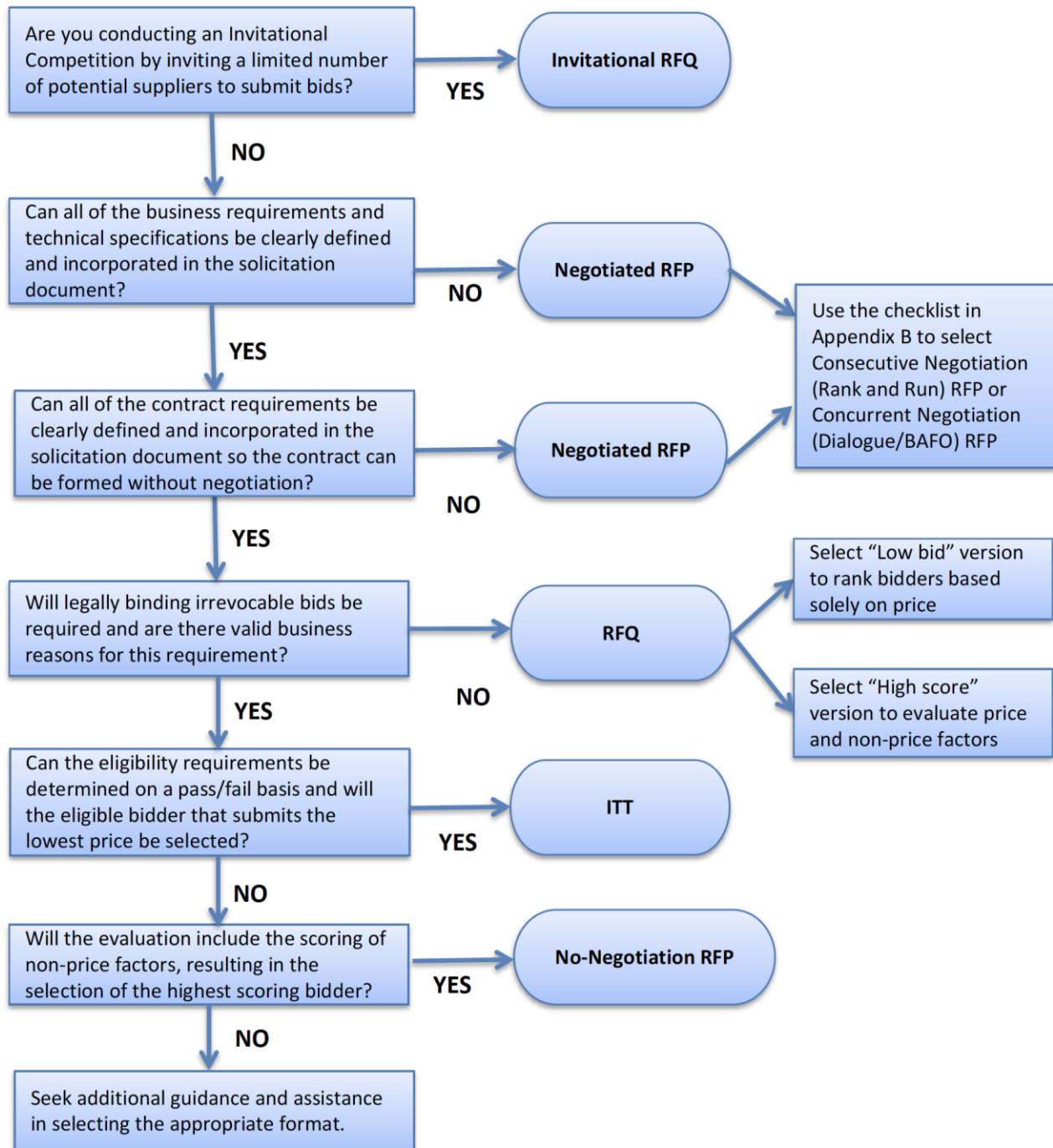
In addition to the various forms of Solicitation Documents used to conduct a Procurement process, Procurement Services maintains a Request for Information (“RFI”) template for the purpose of soliciting information about Deliverables and/or expressions of interest from Suppliers. This format is used to conduct a structured and transparent market-research and information-gathering process to obtain information from potential Suppliers regarding the types of goods and services available to meet the Department’s needs and to assess the interest in the marketplace in providing the Deliverables to the Department. This format is not intended to result directly in the Procurement of Deliverables, but rather to inform a future procurement, and must not be used to prequalify Bidders or restrict participation in a future competitive Procurement process.

APPENDIX A – FORMAT SELECTION QUESTIONNAIRE

Prequalification Process



Single-Stage or Second-Stage Process



APPENDIX B – PROCUREMENT FORMAT CHECKLIST

Invitational RFQ

- ☐ You are buying simple goods, services, or construction with a value below the Open Competition Thresholds.
- ☐ You will be conducting an Invitational Competition by inviting a limited number of potential Suppliers to submit Bids.
- ☐ The business requirements and technical specifications can be clearly defined in advance and incorporated into the Solicitation Document.
- ☐ The Contract requirements and performance terms and conditions are relatively straightforward and can be incorporated into the Solicitation Document to permit the finalization of the Contract with the successful Bidder without, or with only minor, negotiations.
- ☐ You will select either the lowest-priced Bidder meeting mandatory requirements or the highest-scoring Bidder based on a relatively simple evaluation of price and non-price factors.

Open RFQ

- ☐ You are buying simple goods, services, or construction through an Open Competition.
- ☐ The business requirements and technical specifications can be clearly defined in advance and incorporated into the Solicitation Document.
- ☐ The Contract requirements and performance terms and conditions are relatively straightforward and can be incorporated into the Solicitation Document to permit the finalization of the Contract with the successful Bidder without, or with only minor, negotiations.
- ☐ You will select either the lowest-priced Bidder meeting mandatory requirements (select the Low-Bid Version of the RFQ) or the highest-scoring Bidder based on a relatively simple evaluation of price and non-price factors (select the High-Score Version of the RFQ).

ITT

- ☐ You are buying goods or construction through an Open Competition.
- ☐ There are valid business reasons for requiring legally binding, irrevocable Bids, with or without bid security.
- ☐ You have straightforward eligibility requirements that can be determined on a pass/fail basis and will select the Bidder that meets the requirements and submits the lowest price.
- ☐ All of the business requirements and technical specifications can be clearly defined in advance and incorporated into the Solicitation Document.

- ☐ All of the Contract requirements and performance terms and conditions can be clearly defined in advance and incorporated into the Solicitation Document to permit the finalization of the Contract with the successful Bidder without negotiations.

Note: When using the ITT format, it is strongly recommended that a prequalification process be conducted to ensure that only qualified Bidders are eligible to respond to the ITT. See below for information regarding the RFSQ – Prequalification Version.

No-Negotiation RFP

- ☐ You are buying Deliverables through an Open Competition.
- ☐ There are valid business reasons for requiring legally binding, irrevocable Bids, with or without bid security.
- ☐ You will evaluate both price and non-price factors and will select the highest-scoring Bidder.
- ☐ All of the business requirements and technical specifications can be clearly defined in advance and incorporated into the Solicitation Document.
- ☐ All of the Contract requirements and performance terms and conditions can be clearly defined in advance and incorporated into the Solicitation Document to permit the finalization of the Contract with the successful Bidder without negotiations.

Consecutive Negotiation (Rank and Run) RFP

- ☐ You are buying goods, services, or complex construction projects through an Open Competition.
- ☐ Irrevocable Bids are not required.
- ☐ Detailed, innovative, or creative proposals are desired.
- ☐ You will evaluate both price and non-price factors and will rank proposals based on highest score.
- ☐ You may need to adapt the final specifications and/or performance terms based on the successful proposal.
- ☐ There may be a need to negotiate some terms of the final Contract to ensure that they are appropriately tailored to the proponent's proposed solution.
- ☐ You are able to include sufficiently detailed business requirements and technical specifications in the Solicitation Document to allow proponents to propose fully developed solutions and complete pricing proposals at the submission deadline.
- ☐ You prefer to engage in negotiations with only the top-ranked proponent.
- ☐ You will only engage in negotiations with the next-ranked proponent if negotiations with the top-ranked proponent are unsuccessful.

Concurrent Negotiation (Dialogue/BAFO) RFP

- ☐ You are buying goods, services, or complex construction projects through an Open Competition.

- ☐ Irrevocable Bids are not required.
- ☐ Detailed, innovative, or creative proposals are desired.
- ☐ You will evaluate both price and non-price factors and will rank proposals based on highest score.
- ☐ You may need to adapt the final specifications and/or performance terms based on the successful proposal.
- ☐ There may be a need to negotiate some terms of the final Contract to ensure that they are appropriately tailored to the proponent's proposed solution.
- ☐ A variety of different approaches and solutions could meet the project requirements, and the detailed scope of work and specifications may vary depending on the proposed solution.
- ☐ You would like to have an opportunity to engage in discussions with a short-list of high-scoring proponents to consider and better understand the various approaches and solutions that they have proposed and to ensure that the proponents fully understand your needs and requirements.
- ☐ You want to allow the short-listed proponents to develop and refine their proposed solutions and pricing proposals after those discussions through the submission of a BAFO.
- ☐ Based on the evaluation of the BAFOs, you will invite the top-ranked proponent to negotiate and finalize the Contract.

RFSQ – Prequalification Version

- ☐ You are buying goods, services, or construction through a two-stage Open Competition.
- ☐ You want to ensure that potential Bidders are sufficiently competent, qualified, and experienced to undertake and successfully complete the project prior to inviting them to Bid on the detailed requirements and specifications of the project.
- ☐ You expect that a large number of potential Suppliers may want to compete for the Contract, and you want to narrow the field prior to soliciting Bids.
- ☐ You will set a limit on the number of eligible Bidders or a minimum threshold score that must be achieved before a potential Supplier will be considered eligible to participate in the second-stage competition.

RFSQ – Roster Framework Version

- ☐ You require the same type of goods, services, or construction on a regular and recurring basis over a period of time.
- ☐ You want to be able to obtain quotes quickly and efficiently from qualified Suppliers that are able to provide the required goods, services, or construction in accordance with established and agreed-upon general Contract terms and conditions.

Document Drafting Protocol

1. Purpose and Interpretation

The purpose of this protocol is to provide assistance, direction, and suggestions for preparing Procurement plans and Solicitation Documents, including guidelines for developing specifications and selecting the appropriate evaluation methodology and pricing structure. Defined terms used in this protocol have the meaning assigned in the Glossary of Terms (Schedule A) in the Procurement Policy.

2. General Drafting Principles

These general principles should be considered in drafting the Procurement plan and the Solicitation Document:

- (a) Plain and clear language should be used, and technical jargon and vague terms should be avoided.
- (b) Where technical terms or specifications are required, they should be set out in a separate section or schedule to the document.
- (c) Avoid creating too many defined terms. Defined terms should only be used where (i) the meaning is not clear from a plain reading; and (ii) the term is used throughout the document. Use defined terms consistently throughout the document. Do not capitalize terms that are not defined.
- (d) Avoid repeating the same information in different sections of the document. If it is necessary to repeat information, ensure that it is repeated using the same language and terminology to avoid any inconsistencies or contradictions.
- (e) Avoid using acronyms that may not be understood by everyone. If the use of acronyms is necessary, spell them out in full the first time they are used in the document.
- (f) Ensure that Contract performance and other contractual terms are not buried in the specifications or evaluation sections but are appropriately included in the term sheet or form of agreement.
- (g) Ensure that the document is carefully proofread, preferably by someone other than the drafter. Inconsistent terminology, vague wording, typographical errors, grammatical errors, and incorrect spelling can all create uncertainty in the meaning and interpretation of the terms and conditions in the document.

3. Initial Mapping Statement

Before beginning to draft any of the Procurement project details, the Department Lead should draft an initial mapping statement that clearly describes what is being purchased. The initial mapping statement is essential in major projects with many stakeholders, and it is also very important in smaller, routine purchases in order to ensure a smooth and efficient drafting process.

4. Requirements and Specifications

The subject-matter experts from the relevant Department(s) are responsible for preparing the technical specifications and business requirements for inclusion in the Solicitation Document. In the preparation of any technical specification for a specific procurement, advice must not be sought or accepted from a potential Supplier or any person that may have a commercial interest in the procurement.

The format of the Solicitation Document will dictate the level of specificity that is required for requirements and specifications:

- (a) if price is the only factor being evaluated, then the specifications and all requirements that inform price must be fully disclosed in detail in order to solicit responsive pricing; or
- (b) if the requirements cannot be clearly defined before the Solicitation Document is issued (in other words, proponents will be proposing creative solutions or proponent specifications will be evaluated during the Competitive Process), and the selected format contemplates negotiation of the final Contract, then the specifications can be drafted with less specificity.

The requirements should describe the tasks that the successful Bidder will be expected to complete during the term of the Contract. There are different approaches to describing the tasks and effort required, for example:

- (a) a “performance-based” statement of work will describe the requirements in terms of the required results rather than the methods for performing the work. In this case, Bidders will be invited to propose their own approach and methodology and make their own determination of what resources, roles, and activities will be required to provide the Deliverables and achieve the required results;
- (b) a “level of effort” statement of work will identify all the tasks that must be performed and the hours to be spent on each task. The statement of work must identify if specific resources or categories of resources will be required to perform the identified tasks; and
- (c) a detailed or “prescriptive” statement of work will describe how the work must be accomplished, including precise measurements, tolerances, materials, quality control requirements, or the like.

Irrespective of the approach, it is important that:

- (a) the Deliverables are clearly identified, including the timelines and location for delivery;
- (b) reporting and communication requirements are identified, including any requirements for progress or status reports; and
- (c) expectations with respect to the outcome of the project are clearly described, including performance standards or quality-assurance requirements.

Departments should review the need for Contract performance security, if any, with Procurement Services.

Specifications for goods may include any or all of the following:

- (a) physical characteristics;

- (b) functional, performance, or expected-results characteristics;
- (c) quality characteristics defined by recognized, third-party standards bodies; and/or
- (d) intended-use descriptors, such as consumer-grade, industrial-grade, medical- or laboratory-grade, or suitable for use under extreme conditions.

Specifications and requirements must be designed to encourage open, fair, and transparent competition and must not be written in a way that unduly restricts Suppliers from bidding.

Technical specifications must be generic, functional, and non-biased specifications that do not have the purpose or effect of creating unnecessary obstacles to international trade. Where appropriate, they must be set out in terms of performance and functional requirements, rather than design or descriptive characteristics, and must be based on international standards, if they exist, or otherwise on recognized national standards.

Technical specifications must not require or refer to a particular trademark or trade name, patent, copyright, design, type, specific origin, producer, or Supplier, unless there is no other sufficiently precise or intelligible way of describing the requirements and, in such cases, the words such as "or equivalent" must be included.

5. Material Disclosures

In order to solicit competitive and responsive pricing during a Competitive Process, it is essential that Bidders know all material information relating to the procurement.

Only the Department's subject-matter experts will be in a position to know what information should be disclosed in the material disclosures section of the Solicitation Document. The material disclosures section should be reviewed by the subject-matter experts for every Procurement since failure to do so could expose the City to legal, financial, and reputational risk.

Material disclosures include information, such as:

- (a) reports relating to the procurement, including engineering, consulting, environmental, or site reports;
- (b) unusual conditions that may affect price (for example, soil conditions, delivery restrictions, or timing requirements or restrictions);
- (c) contractual performance terms;
- (d) indemnity, performance security, and insurance requirements; and
- (e) specific processes or procedures expected of the successful Bidder that are outside standard industry practice.

6. Pricing Structure Selection

6.1 General Principles

With the exception of a Request for Supplier Qualifications (“RFSQ”) process in which pricing information is not requested, it is essential that the Solicitation Document include a clear pricing structure. The pricing structure must be clearly set out in the Solicitation Document so that Bidders know exactly how to submit pricing and so that pricing can be evaluated fairly and defensibly.

Choosing an appropriate pricing structure will depend on what is being purchased; where applicable, ensure that the pricing structure aligns with industry standards.

Regardless of the pricing structure employed, the Solicitation Document must clearly state what is included or not included with respect to pricing (for example, is the submitted pricing all-inclusive or are certain expenses allowed to be charged in addition, such as delivery charges). The pricing structure must also clearly indicate that taxes should be separately stated.

In addition to setting out the selected pricing structure, the Solicitation Document must also include the payment structure. For example, will the entire amount owed be paid at the end of the Contract or will the Supplier be able to bill at regular intervals, upon completion of phases, or at specific payment milestones? The payment terms that will apply to the payment of invoices should also be set out in the Solicitation Document.

6.2 Pricing Structures

Below is a list of some of the most common pricing structures and the factors that should be considered when you are deciding which one is appropriate for your procurement.

- (a) **Lump Sum** (also referred to as “flat fee,” “firm price,” and “total price”) – The Bidder submits a total price to provide the Deliverables, which is not subject to adjustment after the Contract is awarded. This model is only appropriate when all specifications are known in advance, all conditions affecting price are known, the terms of the Contract are clear, and all of that information is disclosed in the Solicitation Document.
- (b) **Unit Prices** – The Bidder submits a per-unit price for the Deliverables, and that unit price is then multiplied by the required quantity. Similar to the lump-sum pricing structure, this pricing structure requires exact specifications for the Deliverables required. In order to get the most competitive pricing and meet disclosure obligations, it is important to ensure that historical or accurately estimated volumes of the required Deliverables are disclosed in the Solicitation Document. All unit prices must be set out with clear metrics (for example, hourly rates, price per unit or per kilogram) in the Solicitation Document.
- (c) **Lump Sum or Unit Prices with Price Adjustments** – Where an industry is subject to potential increases in pricing for products or labour, but a firm estimate on pricing is required, the lump-sum or unit-price model can be used in conjunction with a predetermined price adjustment. In order to be defensible, the price adjustment should be tied to objective criteria in the marketplace or subject to an objective, predetermined formula.

- (d) **Time and Materials** – This pricing structure is used to solicit competitive pricing when it cannot be estimated how much time or materials will be required to complete the project. This pricing structure allows some flexibility in pricing; however, in order to avoid costly budget overruns, this pricing model must include clearly described Deliverables, and it requires careful project management to ensure efficient use of resources. The time-and-materials pricing components should each have clear metrics (for example, hourly or per diem rates, set pricing for required materials). This pricing model can also be used for longer-term service Contracts where a service or good is required on an as-needed basis. When a time-and-materials pricing structure is used for these types of Contracts, the term of the Contract must be set out in the Solicitation Document. If options to extend the Contract are included, any price increase for the extension terms must either be set out clearly in the Solicitation Document or be subject to an agreed-upon formula (for example, indexed to inflation).
- (e) **Time and Materials with Upset Limit** – A time-and-materials pricing structure, as described above, can be used in combination with a requirement that Bidders set an upset limit that represents a total cost that will not be exceeded for the specified scope of work. For example, the pricing could be based on an hourly rate that will be charged for actual time spent with a total dollar value that will not be exceeded for the completion of the project.
- (f) **Licence Fees** – Common in the software industry, this pricing structure involves a set licence fee tied to specific rights of use (for example, number of users, number of computers on which software can be installed).
- (g) **Budget-Based Bidding** – This is a less common form of pricing structure, which can be used when there is a set amount of money budgeted for a project and the Department wishes to get the most value for that budget amount. The total budget is disclosed in the Solicitation Document and Bidders propose solutions that provide the most Deliverables they can within the set budget amount. The disclosure of budget may result in less competitive Bids, but it can be a useful method when there is concern that the scope of the project may otherwise result in Bids that exceed the available budget.
- (h) **Life-Cycle Cost (“LCC”)** – This pricing structure is an analysis that considers the initial purchase price, warranty, and duration of useful life, shipping, conversion, and installation, and all reasonable operating costs such as fuel/energy use, water use, routine maintenance, consumable supplies, parts and repairs, etc. The Solicitation Document must describe the method that will be used to calculate the LCC and specify the information that must be submitted by the Bidder for the purposes of the LCC analysis. Typical elements of an LCC analysis include:
 - i. purchase price;
 - ii. life span of products;
 - iii. transportation and handling;
 - iv. installation and associated costs;
 - v. staff training;
 - vi. operation and supplies (including any costs associated with disposal of waste/spent supplies);
 - vii. energy and fuel costs;
 - viii. maintenance and repairs; and
 - ix. end-of-life disposal costs.

The details of a particular Procurement may require another type of pricing structure. When the appropriate selection of pricing structure is not clear, employees should consult Procurement Services for guidance and other possible options.

7. Evaluation Methodology

In order to run a defensible Competitive Process, the evaluation methodology that will be used to determine the successful Bidder(s) must be fully disclosed in the Solicitation Document. Failure to fully disclose the evaluation methodology, including all factors to be considered in determining the successful Bidder(s), may constitute hidden criteria that could expose the City to legal, financial, and reputational risk.

All eligibility or threshold criteria (also referred to as “mandatory requirements”) must be fully disclosed and be capable of review upon submission of a Bid. Mandatory requirements should be kept to a minimum and must only be used for those eligibility requirements that are absolutely essential.

There are two basic evaluation methodologies:

- (a) lowest price; and
- (b) evaluated criteria where price and specified qualitative factors are allocated a certain weighting.

When using an RFSQ as part of a two-stage Competitive Process, the RFSQ must disclose the basis on which Bidders will be considered eligible to proceed to the subsequent stage of the Procurement process. Eligibility could be determined by obtaining a threshold score (for example, Bidders with a score of 65% or greater will be prequalified) or by being ranked within the specified number of top-scoring Bidders (for example, the top three Bidders will be prequalified).

7.1 Low-Price Evaluation

When the Bids are being evaluated only on price, this must be clearly set out in the Solicitation Document and no other factors can be used to determine the successful Bidder. If a Department wants to select the preferred Bidder based on lowest price but also consider other qualitative factors, such as previous experience, then they should consult with Procurement Services about using a different format or issuing an RFSQ to prequalify Bidders.

The method for determining the low price must be disclosed. Where the pricing structure is lump sum, the lowest price may be obvious, but if multiple unit prices are being solicited, then the formula for determining the low price for the purposes of evaluation must be set out in the Solicitation Document.

7.2 Evaluated Criteria

When multiple criteria will be considered in the evaluation of Bids, the criteria and the relative weighting for each of the criteria must be disclosed in the Solicitation Document. When several different factors will be considered in the evaluation of a particular criterion, the sub-criteria and sub-weightings should also be disclosed.

When interviews or presentations are requested, the weight, value, and impact on the evaluation and selection process must be set out in the Solicitation Document. Interviews and presentations can either

be given a predetermined weight or can be used to confirm or adjust the scores assigned in the evaluation of the paper-based proposal.

When both price and non-price factors are being evaluated, the method for evaluating price and calculating dollars into points must be disclosed. Generally, price is scored by dividing the lowest overall price submitted during the Competitive Process by the price submitted by each Bidder, and then multiplying that value by the weighting allocated to price (as below):

$$\text{lowest proposed price} \div \text{Bidder's proposed price} \times \text{weighting}$$

The scores for qualitative factors and the score for price are combined and Bidders are ranked based on highest total score.

8. Integration of Components

All of the components of the Solicitation Document need to work together properly. This requires integration throughout the document. The evaluation criteria and the pricing structure must align with the requirements, and the legal agreement must be properly tailored to the requirements and align with the pricing structure.

9. Version Control – Reviewing and Revising

When a Solicitation Document needs to be reviewed and edited by multiple stakeholders, the editing process must be well co-ordinated in order to maintain proper version control. Unless revisions are carefully tracked and integrated through an organized process, the final document is likely to include gaps and inconsistencies that can undermine the certainty of terms and create legal risk. The following steps should be taken to ensure version control:

- (a) Determine who is responsible for incorporating all comments and revisions into the draft document and preparing the final version;
- (b) Ensure stakeholders are clear on what sections of the document they are responsible for reviewing;
- (c) Have only the person responsible for the final document assign new version names to the document (for example, “RFP v. 2.0”);
- (d) When making electronic changes to the document, everyone involved in revising should save the revised document under a new file name that retains the assigned version name and also includes their name and the date of the changes (for example, “RFP v. 2.0 – changes by AB Jan 14”).
- (e) Retain copies of all stakeholder comments/markups in the Procurement file.

Invitational Competition Protocol

1. Purpose and Interpretation

The purpose of this protocol is to set out the steps and identify roles and responsibilities for conducting an Invitational Competition. Defined terms used in this protocol have the meaning assigned in the Glossary of Terms (Schedule A) in the Procurement Policy.

2. Responsibility for Conducting Invitational Competitions

Unless the authority to conduct an Invitational Competition has been delegated to the Department, the process will be conducted by Procurement Services with the assistance and co-operation of the Department Lead.

The Head of Procurement Services may delegate the authority to conduct an Invitational Competition to a Department, on either a standing basis or a case-by-case basis. Where a Department has delegated authority to conduct an Invitational Competition, the Department Head is responsible and accountable for ensuring the process is conducted in accordance with this protocol.

3. Preparing the Solicitation Document

The Invitational Request for Quotation ("RFQ") template is the standard format for Invitational Competitions. If the Department wishes to use a different format, please consult with Procurement Services.

The information contained in the Procurement Plan will be used to assemble the Solicitation Document.

The principles and guidelines in the Document Drafting Protocol should be followed and the following must be confirmed before the Solicitation Document is finalized:

- (a) the most up-to-date template is used;
- (b) all material information relevant to the Procurement has been disclosed;
- (c) all evaluation criteria that will be considered in the evaluation of Bids are disclosed;
- (d) the terms and conditions of the Procurement Contract are included in the Solicitation Document;
and
- (e) there is alignment between the technical requirements and specifications, the pricing structure, and the Contract terms and conditions.

4. Approval of the Solicitation Document

Unless otherwise determined by the Head of Procurement Services, both the Department and Procurement Services must review and approve the final Solicitation Document prior to issuance.

5. Issuance of the Solicitation Document

Email may be used for the issuance of the Solicitation Document. Invited Suppliers must be given a reasonable period of time to submit their Bids.

6. Communication with Bidders and Addenda Process

All communications with the invited Bidders must be in writing, by email, through a single contact person designated in the Solicitation Document. Any other individual who receives inquiries from Bidders must direct those Bidders to the designated contact person.

If questions are received from any invited Bidder during the Procurement process, the questions and their corresponding answers should be consolidated into a question and answer ("Q&A") document that is issued by email to all of the invited Bidders. The Q&A document should not identify the Bidder(s) that asked the question(s).

Any changes to the Solicitation Document must be communicated to all Bidders through a written addendum issued in the same manner as the Solicitation Document. If an addendum containing significant new information is released close to the submission deadline, the submission deadline should be extended to allow the Bidders a reasonable period of time to review and respond to the addendum.

7. Receipt of Bids

Bids must be in writing and may be submitted by email or another electronic submission method specified in the Solicitation Document. Bids must be received in the manner set out in the Solicitation Document. Bids received prior to the submission deadline must be kept confidential until the submission deadline has passed. After the submission deadline has passed, Bids must be opened and reviewed to determine if all mandatory submission requirements have been met in accordance with the process set out in the Solicitation Document.

8. Evaluation of Bids

The Department is responsible for establishing the evaluation team and conducting the evaluation process in accordance with the evaluation methodology disclosed in the Solicitation Document. Where the evaluation is based only on price, the Bids must be reviewed by at least two individuals from the Department and/or Procurement Services. Where the Solicitation Document includes evaluation criteria in addition to price, the Bids should be evaluated by a minimum of three evaluators from the Department.

9. Selection of Preferred Bidder(s)

The Department is responsible for recommending the selection of the preferred Bidder(s) based on the results of the evaluation process in accordance with the Solicitation Document. The Department's recommendation to award a Contract to the preferred Bidder(s) must be approved by Procurement Services. The Contract Award Approval form in Appendix A should be completed and submitted to the Head of Procurement Services. All individual evaluator score sheets, the summary score sheet and any applicable notes in support of the scores must accompany the form.

Procurement Services will send the selected Bidder a notice of selection asking the Bidder to satisfy any conditions of award set out in the solicitation.

10. Contract Finalization

Once all required approvals are obtained and any conditions of award are satisfied, a Purchase Order attaching or referencing the Contract terms and conditions set out in the Solicitation Document will be issued by Procurement Services or, if a legal agreement is to be signed by the City and the Supplier, the agreement will be executed in accordance with the Authorization Schedule.

11. Notification of Unsuccessful Suppliers

After the Contract with the selected Supplier has been finalized, Procurement Services will promptly notify the unsuccessful Suppliers of the outcome.

12. Communication with Suppliers Regarding Outcome

Any requests for debriefing or any questions or complaints about the outcome of the process must be directed to the contact person designated in the Solicitation Document. If a debriefing is held, it should be conducted in accordance with the Bidder Debriefing Protocol.

13. Documentation

Procurement Services is responsible for creating and maintaining a Procurement file containing copies of the following documents:

- (a) the approved Procurement Authorization Form;
- (b) the Procurement Plan;
- (c) the final version of the Solicitation Document that was issued to Suppliers;
- (d) records of any communications with invited Suppliers;
- (e) copies of all addenda that were issued to Suppliers;
- (f) all Bids received from Suppliers;
- (g) any notes with respect to the review and evaluation of Bids;
- (h) documented approval for the Contract award; and
- (i) the Purchase Order and any other Contract documents.

APPENDIX A – INVITATIONAL COMPETITION CONTRACT AWARD APPROVAL

Department:	
Department Lead:	
Date:	

Description of the Deliverables:	
Recommended Supplier Name:	
Total Procurement Value:	
Funding Source:	

Date RFQ Issued:	
Submission Deadline:	

Invited Supplier Name	Quote Received	Met Requirements	Amount of Quote	Total Score (if applicable) *
	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	\$	
	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	\$	
	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	\$	
	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	\$	

* Total score is only applicable if the evaluation process included non-price rated criteria.

Department Lead:	Signature: Date:
Head of Procurement Services:	Signature: Date:

Open Competition Protocol

1. Purpose and Interpretation

The purpose of this protocol is to set out the steps and identify roles and responsibilities for conducting an Open Competition. Defined terms used in this protocol have the meaning assigned in the Glossary of Terms (Schedule A) in the Procurement Policy.

2. Responsibility for Conducting Open Competitions

Open Competitions will be conducted by Procurement Services with the assistance and co-operation of the Department. Departments are not permitted to conduct Open Competitions without the involvement of Procurement Services.

3. Preparing the Solicitation Document

The appropriate Solicitation Document format must be determined in consultation with Procurement Services using the Format Selection Protocol. The information contained in the Procurement Plan and the template for the selected format will be used to assemble the Solicitation Document.

When preparing a Solicitation Document for an Open Framework Competition to establish a Qualified Supplier Roster, refer to the Qualified Supplier Rosters Protocol.

The principles and guidelines in the Document Drafting Protocol should be followed. All items in the Solicitation Document Checklist (Appendix A) must be confirmed before the Solicitation Document is finalized.

4. Approval of Solicitation Document

Both the Department and Procurement Services must review the assembled Solicitation Document to ensure that all of the requirements in the Solicitation Document Checklist (Appendix A) are met and must approve the final Solicitation Document prior to issuance.

5. Procurement Notice

Procurement Services is responsible for posting notice of the Procurement online. Suppliers must be able to access the notice free of charge. The Procurement Notice Checklist (Appendix B) must be used to ensure all required information is included in the notice.

6. Posting Solicitation Document

Procurement Services is responsible for posting the Solicitation Document online. The Solicitation Document should be posted at the same time as the notice.

7. Time Period for Bid Submission

Suppliers must be provided sufficient time to prepare and submit responses to the Solicitation Document. The minimum time periods set out below require that both the notice of Procurement and the Solicitation Document are posted and available to Suppliers electronically in accordance with Sections 5 and 6 above.

If responses are accepted by electronic means, Suppliers must be given a minimum of 25 calendar days to respond to the Solicitation Document. A longer response time may be considered reasonable based on the nature and complexity of the procurement.

If electronic submission of responses is not permitted, a minimum time period of 30 calendar days must be provided.

A shorter time period is not advisable and may only be considered under the following circumstances:

- (a) There is a state of urgency that does not allow for the regularly required time period, whereby a valid reason for the urgency must be substantiated and documented. Lack of advance planning will not be considered a valid reason.
- (b) The Procurement is solely for commercial goods or services and Bids are accepted by electronic means. "Commercial goods or services" means goods or services of a type generally sold or offered for sale in the commercial marketplace to, and customarily purchased by, non-governmental buyers for non-governmental purposes.
- (c) A limited number of prequalified Suppliers are being invited to respond to a second-stage competitive procurement.

In any of the above cases, the minimum time period must not be less than ten calendar days.

8. Communication with Potential Bidders and Addenda Process

- (a) All communications with potential Bidders after the posting of the Solicitation Document must be made in writing through a single contact person designated in the Solicitation Document. The designated contact person must be a representative of Procurement Services.
- (b) Any Department employee or any other individual who receives inquiries from potential Bidders must direct those Bidders to the designated contact person in Procurement Services and must not discuss the Procurement with any potential Bidder or Supplier.
- (c) It is recognized that there may be instances where Department employees have ongoing relationships with Suppliers with respect to existing Contracts and that those Suppliers may be potential Bidders in other procurements. In such instances, Department employees are not prevented from speaking to such Suppliers with respect to ongoing projects and Contracts, but they should refrain from discussing upcoming or active procurements.
- (d) All Bidder questions must be submitted in writing to the designated contact person. The designated contact person will forward all questions of a technical nature to the Department. The Department will provide the responses to Procurement Services, and Procurement Services will consolidate all Bidders' questions and the responses and post the consolidated question and

answer ("Q&A") document as an addendum. The Q&A document should not identify which Bidder asked which question. Questions that are duplications may be consolidated, so long as all legitimate Bidder questions and concerns are addressed.

- (e) All changes to the Solicitation Document must be communicated to all Bidders through a written addendum issued by Procurement Services. If the Department needs to make changes to a Solicitation Document after it has been posted, all such changes (including changes to the scope, evaluation criteria or schedule) must be provided to Procurement Services. Procurement Services will prepare the addendum and provide it to the Department for review and approval. Once approved, the addendum will be issued by Procurement Services in the manner set out in the Solicitation Document.
- (f) If an addendum containing significant new information or modifications is released close to the submission deadline, Procurement Services must extend the submission deadline to allow Bidders a reasonable period of time to review and respond to the addendum.

9. Receipt of Bids

Procedures for the receipt, opening, and treatment of Bids must guarantee the fairness and impartiality of the Procurement process and the confidentiality of Bids.

If Bids are received electronically, the system must establish time of receipt and Bids must not be accessed until the submission deadline has passed.

If Bids are received physically, the submissions must be time-stamped upon receipt, must be securely stored, and must not be opened until the submission deadline has passed.

Suppliers must not be penalized for the late submission of a Bid if the delay in receiving the Bid is due solely to mishandling on the part of the City.

10. Review of Mandatory Submission Requirements

To be considered for an award, a Bid must be compliant with the essential requirements set out in the notices and Solicitation Document and be from a Supplier that satisfies any conditions for participation.

Once the Bids have been opened, Procurement Services must review all Bids to ensure compliance with the mandatory submission requirements set out in the Solicitation Document. Where no rectification period has been allowed for in the Solicitation Document, those Bids that do not meet the mandatory submission requirements are disqualified and must not be evaluated further.

If the Solicitation Document provides for a rectification period, Procurement Services will send any Bidder that did not meet a mandatory submission requirement a rectification notification informing them that it will have the opportunity to meet the mandatory submission requirement within the specified rectification period. After the expiration of the rectification period, any Bidders that have failed to meet all mandatory submission requirements are disqualified and must not be evaluated further. The Bids that have satisfied the mandatory submission requirements will be provided to the Department for evaluation. Note that a rectification period is applicable only if explicitly provided for in the Solicitation Document and must never be included in a legally binding Contract-A Solicitation Document.

11. Evaluation of Bids

The evaluation process must be fair, defensible, and transparent and must comply with the evaluation methodology disclosed in the Solicitation Document.

Departments are responsible for establishing the evaluation team and conducting the evaluation process. A minimum of three evaluators must participate in the evaluation process. Whenever possible, a representative of Procurement Services will serve as a facilitator and advisor to the evaluation team. The evaluation team must ensure that the evaluation plan as indicated in the Solicitation Document is followed and that the scoring of the Bids is defensible.

All evaluation team members must sign a declaration stating that they have no conflicts of interest in respect of the Procurement process and agreeing to keep the content of Bids and the evaluation confidential.

11.1 Assessment of Mandatory Technical Requirements

The evaluation team will assess whether the Bids satisfy the mandatory technical requirements set out in the Solicitation Document. Bids that do not satisfy the mandatory technical requirements will be disqualified and must not be evaluated further.

If there is uncertainty with respect to whether or not a Bid satisfies a mandatory technical requirement, the evaluation team must consult with Procurement Services to determine the appropriate course of action.

Where it is clear that a Bid fails to satisfy any mandatory technical requirement, the evaluation team must notify Procurement Services.

Procurement Services is responsible for notifying a Bidder that their Bid has been disqualified. Under no circumstances is the evaluation team or any other Department employee to communicate directly with Bidders regarding the evaluation process.

11.2 Low-Bid Evaluation

In a low-bid evaluation process, the Contract is awarded to the Bidder that submitted the compliant Bid with the lowest price.

Once the mandatory requirements have been reviewed, the evaluation team will review the compliant Bids and determine the lowest submitted price.

11.3 Evaluated Criteria (High-Score) Evaluation

Once all evaluators have conducted their individual evaluations, the entire evaluation team should meet to finalize their scores. A representative of Procurement Services may serve as an observer and advisor to the evaluation team.

During the meeting for the finalization of scores, any discrepancies in scoring between the individual evaluators should be discussed. Evaluators should explain how they arrived at the particular score they assigned and point out the relevant information in the Bid that supports the score. Evaluators may adjust

their scores based on these discussions, but they should not feel compelled to do so if they feel the score they have assigned is fair and supported by the content of the Bid. Where there is no consensus among the evaluators, the Bidder's score for each of the criteria should be determined by averaging the scores assigned by each individual evaluator.

If the evaluation team wishes to seek clarification from a Bidder in respect of information contained in its Bid, the evaluation team must consult with Procurement Services. The evaluation team should prepare a draft of the clarification questions it proposes to ask the Bidder for review by Procurement Services. If determined to be appropriate, Procurement Services will send the clarification request to the Bidder. The Bidder's response will be provided to Procurement Services. Procurement Services will review the response from the Bidder and, if it is determined to be appropriate, will provide it to the evaluation team.

Once the evaluation of non-price factors has been completed and the scores for the non-price factors have been totalled, the evaluation team should factor in the evaluation of price in accordance with the method set out in the Solicitation Document.

11.4 Interviews and Presentations

Where expressly set out in the Solicitation Document, interviews and presentations may be used during an evaluation process. Interviews and presentations should be scheduled in advance to allow Bidders the opportunity to prepare. All Bidders should be provided with the same amount of time for the interview and presentation and be provided with the same level of review. The evaluation of interviews and presentations must be consistent with the process set out in the Solicitation Document.

11.5 Concurrent Negotiations and Best and Final Offer ("BAFO") Process

Where expressly set out in the Solicitation Document, the evaluation process may include a process for engaging in negotiations or discussions with a short-list of Bidders followed by the submission of BAFOs.

In such cases, the evaluation team will evaluate the original Bid submissions and will create a short-list based on the results of those evaluations and the process set out in the Solicitation Document. The Department Lead is responsible for submitting a recommendation for selection of the short-listed Bidders to Procurement Services for approval. Procurement Services will notify the selected Bidders that they have been selected, facilitate the scheduling of the negotiation sessions, and manage the submission process for the BAFOs.

The deadline for the submission of BAFOs must be the same for all participating bidders. BAFOs must then be evaluated in accordance with this procedure and the process set out in the Solicitation Document.

12. Selection of Preferred Bidder(s)

The preferred Bidder(s) will be determined based on the results of the evaluation process in accordance with the Solicitation Document.

Where the competition is intended to result in the award of a Contract to the selected Bidder, the Department Lead is responsible for submitting a recommendation for selection of the preferred Bidder to Procurement Services for approval. All individual evaluator score sheets, the summary score sheet, and any applicable notes in support of the scores must accompany the selection recommendation.

Where the competition is intended to result in the prequalification of Bidders that will be eligible to participate in a second-stage Competitive Process, the Department Lead is responsible for submitting a recommendation to prequalify the preferred Bidders to Procurement Services for approval. Procurement Services will be responsible for notifying the Bidders of the outcome of the prequalification process.

All selection decisions must be authorized in accordance with the Authorization Schedule.

13. Contract Negotiation and Award

Where the Solicitation Document provides for Contract negotiations with the preferred Bidder, Procurement Services will send the selected Bidder a notice of selection inviting the Bidder to enter into Contract negotiations.

Where the Solicitation Document does not provide for negotiation of the Contract with the selected Bidder(s), the selected Bidder(s) must enter into the form of Contract included in the Solicitation Document, and Contract negotiations are not generally permitted. Procurement Services will send each selected Bidder a notice of selection asking the Bidder to satisfy any conditions of award set out in the Solicitation Document.

All Contract award decisions must be authorized in accordance with the Authorization Schedule.

The Contract is awarded once negotiations are successfully completed, if applicable, and all conditions of award set out in the Solicitation Document have been satisfied. If a legal agreement is to be signed, the Contract is awarded when both the Supplier and the City have signed the agreement. In the absence of a signed legal agreement, the Contract is awarded at the time a Purchase Order is issued to the Supplier.

Contracts must be issued or executed in accordance with the Authorization Schedule.

14. Cancellation of Competitive Process

Where the deadline for submission of Bids has passed and Bids have been received, the Procurement process must not be cancelled without the approval of Procurement Services, in consultation with Legal Services where necessary.

15. Notification

Unsuccessful Bidders must be promptly informed of Contract award decisions.

16. Debriefings

Unsuccessful Bidders may request a debriefing. When requested, debriefings must be scheduled and conducted by Procurement Services and the appropriate Department representative.

17. Notice of Award

Within 72 days of awarding a Contract, a notice of award must be published online and must remain readily accessible for a reasonable period of time. The Procurement Notice Checklist (Appendix B) must be used to ensure all required information is included in the notice.

14. Documentation

Procurement Services is responsible for ensuring that all documentation relating to the Procurement is properly filed and maintained in the Procurement file. The following are the minimum requirements of what should be kept in each Procurement file:

- (a) the approved Procurement Authorization Form;
- (b) the Procurement Plan;
- (c) the final Solicitation Document(s);
- (d) records of any communications with Bidders or potential Bidders;
- (e) copies of all addenda;
- (f) copies of all Bids received from Bidders;
- (g) all records of evaluation processes, including evaluator notes and final scores;
- (h) the final recommendation memo together with all required approvals;
- (i) records of any debriefing requests and outcomes; and
- (j) records of any Supplier complaints and related correspondence.

APPENDIX A – SOLICITATION DOCUMENT CHECKLIST

The following must be confirmed before the Solicitation Document is finalized:

- ☐ The most up-to-date template is used.
- ☐ All material information relevant to the Procurement has been disclosed, including:
 - ☐ a complete description of the procurement, including the nature and the quantity of the goods or services to be procured; or if the quantity is not known, the estimated quantity and any requirements to be fulfilled, including any technical specifications, requirements for servicing or warranty; transition costs, if applicable; and applicable conformity assessment certification, plans, drawings, or instructional materials;
 - ☐ any conditions for participation of Suppliers, including a list of information and documents that Suppliers are required to submit in connection with the conditions for participation;
 - ☐ a clear description of the method that will be used to evaluate Bids and select the successful Bidder(s);
 - ☐ all evaluation criteria, and, unless price is the sole criterion, the weighting of the criteria;
 - ☐ submission instructions, including any authentication and encryption requirements or other requirements related to the submission of information by electronic means;
 - ☐ any dates for the delivery of goods or the supply of services, which must take into account such factors as the complexity of the procurement, the extent of subcontracting anticipated, and the realistic time required for producing, de-stocking, and transporting goods from the point of supply or for supply of services; and
 - ☐ other material terms and conditions, including terms of payment.
- ☐ The terms and conditions of the Contract are appropriately contained in the term sheet or form of agreement.
- ☐ There is alignment between the technical requirements and specifications, the pricing structure (where applicable), and the Contract terms and conditions.
- ☐ In the case of a Solicitation Document to establish a Standing Offer, the Solicitation Document indicates how subsequent purchases will be made from under the Standing Offer.
- ☐ The Solicitation Document does not include:
 - ☐ conditions for participation that are not essential to ensuring that a Supplier has the legal and financial capacities and the commercial and technical abilities to provide the goods or services;
 - ☐ biased or branded technical specifications;

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- ☐ local content or other economic benefits criteria that are designed to favour Suppliers from a particular geographic location (region, territory, province, or nation) or goods or services of a particular geographic location; or
- ☐ requirements that Bidders have previously been awarded Contracts by the City or have prior experience in a particular geographic location.

APPENDIX B – PROCUREMENT NOTICE CHECKLIST

For each Open Competition, a summary notice, a detailed notice of intended procurement, and a notice of Contract award must be published and must be accessible by electronic means free of charge. Use the checklist below to ensure that all required information is included in the notices.

Summary Notice

A summary notice must be posted online at the same time as the detailed notice and must contain at least the following information:

- ☐ the subject matter of the procurement;
- ☐ information on how to obtain all relevant documents relating to the Procurement process; and
- ☐ the date and time of the submission deadline.

Notice of Intended Procurement

The detailed notice must include all of the following information:

- ☐ procuring entity's name and address;
- ☐ contact information (phone and/or email) of contact person;
- ☐ information on how to obtain all relevant documents relating to the procurement;
- ☐ the cost and terms of payment, if any, for the Procurement documents;
- ☐ a description of the procurement;
- ☐ the nature and the quantity of the goods or services to be procured or, if the quantity is not known, the estimated quantity;
- ☐ the timeframe for delivery of goods or services or the duration of the Contract;
- ☐ a description of any options;
- ☐ the Procurement method that will be used and whether it will involve negotiations or electronic auction;
- ☐ the language(s) in which submissions will be accepted;
- ☐ the date and time of the Bid submission deadline;
- ☐ the location for submission;
- ☐ if there will be a public opening, the date and time of the public opening; and

- ☐ an indication that the Procurement is covered by Chapter 19 of the *Canada-European Union Comprehensive Economic and Trade Agreement* (the “CETA”) and/or Chapter 5 of the *Canadian Free Trade Agreement* (the “CFTA”).

In the case of a two-stage competition, where the City intends to select a limited number of qualified Suppliers to be invited to participate in the second-stage competition, the notice must include all of the above, and:

- ☐ the criteria that will be used to select them and, if applicable, any limitation on the number of Suppliers that will be permitted to participate in the second-stage competition.

Notice of Contract Award

Within 72 days of awarding a Contract, a notice of award must be published online and must remain readily accessible for a reasonable period of time.

The notice must include at least the following information:

- ☐ the name and address of the procuring entity;
- ☐ the name and address of the successful Supplier;
- ☐ a description of the goods or services procured;
- ☐ the value of the successful Bid or the highest and lowest offers taken into account in the award of the Contract;
- ☐ the date of award; and
- ☐ the type of Procurement method used.

Non-Standard Procurement Protocol

1. Purpose

The purpose of this protocol is to set out the procedures and requirements for acquiring Deliverables through a Non-Standard Procurement process. Defined terms used in this protocol have the meaning assigned in the Glossary of Terms (Schedule A) in the Procurement Policy.

2. Non-Standard Procurement

“Non-Standard Procurement” means the acquisition of Deliverables through a process or method other than the standard method required for the type and value of the Deliverables. Non-Standard Procurement methods include:

- (a) acquiring Deliverables directly from a particular Supplier without conducting a Competitive Process when an Invitational Competition or an Open Competition would normally be required; and
- (b) soliciting Bids from a limited number of Suppliers without conducting an open prequalification process when an Open Competition would normally be required.

3. Authorization for Non-Standard Procurement

To obtain authority for a Non-Standard Procurement, the Department must complete the Non-Standard Procurement Authorization Form (Appendix A) (the “Authorization Form”). Non-Standard Procurement may be permitted only if one or more of the reasons in the Authorization Form apply to the procurement.

The completed Authorization Form must be approved and signed in accordance with the Authorization Schedule prior to acquiring any goods or services or engaging in any Contract negotiations with a Supplier.

If the Procurement Value is less than the applicable Open Competition Threshold, the Department Head may authorize the Procurement and delegate the authority to procure to the Department Lead.

If the Procurement Value is equal to or greater than the applicable Open Competition Threshold, the Department Head submits the Non-Standard Procurement Authorization Form to the Procurement Review Committee (“PRC”). The PRC reviews and addresses any concerns with the Department Head.

If the Procurement Value is less than \$1 million, the PRC may authorize the Procurement and delegate the authority to procure to the Department Head. The decision of the PRC to authorize the Non-Standard Procurement must be unanimous.

If the Procurement Value is equal to or greater than \$1 million, the PRC and the Department Head submits a report to Council for authority to proceed with the procurement. Council may authorize the Procurement and delegate the authority to procure to the Department Head.

4. Contracts for Non-Standard Procurements

When a non-competitive Procurement is authorized, the Department is responsible for negotiating and finalizing the Contract for the Deliverables in accordance with the Procurement Policy and the Negotiation Protocol. Departments are encouraged to consider the guidance on pricing structure selection and describing the requirements and specifications set out in the Document Drafting Protocol.

5. Non-Standard Procurement Report

In addition to the general record-keeping requirements under the Procurement Policy, a written report must be prepared for each Contract awarded through a Non-Standard Procurement, including the value and kind of goods or services procured and a statement indicating the circumstances and conditions that justified the use of a Non-Standard Procurement. The report and any supporting documentation, including the approved Procurement Authorization Form must be maintained for a minimum of three years from the Contract award date, or such longer period as may be required under the City's document management policies.

6. Notice of Award

If the Procurement Value is equal to or greater than the applicable Open Competition Threshold, Procurement Services must publish the notice of award online within 72 days of the Contract award. The notice must include at least the following information:

- (a) a description of the goods or services procured;
- (b) the name and address of the procuring entity;
- (c) the name and address of the successful Supplier;
- (d) the date of award; and
- (e) a description of the circumstances justifying the use of a Non-Standard Procurement.

APPENDIX A – NON-STANDARD PROCUREMENT AUTHORIZATION FORM

Department:	
Department Lead:	
Date:	
Description of Deliverables:	
Recommended Supplier:	
Procurement History:	<p>Has the Department previously acquired similar Deliverables through a Non-Standard Procurement?</p> <p>YES / NO</p> <p>If yes, were the Deliverables previously acquired from the recommended Supplier?</p> <p>YES / NO</p>
Proposed Contract Term: Indicate initial term and any optional extension terms.	
Estimated Procurement Value:	
Funding Source:	

Identify the reason(s) for the Non-Standard Procurement:	
<input type="checkbox"/>	An Open Competition was conducted for the required goods or services and did not result in the receipt of any valid Bids.
<input type="checkbox"/>	<p>The Procurement is for:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Goods intended for resale to the public <input type="checkbox"/> Goods purchased on a commodity market <input type="checkbox"/> Financial services <input type="checkbox"/> Health services <input type="checkbox"/> Social services <input type="checkbox"/> Services provided by licensed lawyers or notaries <input type="checkbox"/> Services of expert witnesses or factual witnesses used in court or legal proceedings
<input type="checkbox"/>	<p>The goods and/or services are to be procured from:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Government entity <input type="checkbox"/> Philanthropic institution <input type="checkbox"/> Prison labour <input type="checkbox"/> Persons with disabilities <input type="checkbox"/> Non-profit organization* <p><i>*This reason does not apply to procurements that are covered by the Canada-European Union Comprehensive Economic and Trade Agreement (the "CETA").</i></p>
<input type="checkbox"/>	<p>It can be demonstrated that the goods or services can be supplied only by a particular Supplier and no alternative or substitute exists for the following reason(s):</p> <ul style="list-style-type: none"> <input type="checkbox"/> There is an absence of competition for technical reasons. <input type="checkbox"/> Patents, copyrights, or other exclusive rights must be protected. <input type="checkbox"/> The requirement is for a work of art.
<input type="checkbox"/>	<p>The Procurement is for additional deliveries by the original Supplier of goods or services that were not included in the initial Procurement if a change of Supplier for such additional goods or services:</p> <ul style="list-style-type: none"> • cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, software, services, or installations procured under the initial procurement; and • would cause significant inconvenience or substantial duplication of costs for the City.
<input type="checkbox"/>	The Procurement is for goods or consulting services regarding matters of a confidential or privileged nature and the disclosure of those matters through an Open Competition could reasonably be expected to compromise government confidentiality, result in the waiver of privilege, cause economic disruption, or be contrary to the public interest.
<input type="checkbox"/>	<p>The Procurement is for:</p> <ul style="list-style-type: none"> <input type="checkbox"/> a prototype or a first good or service to be developed in the course of and for a particular Contract for research, experiment, study, or original development, but not for any subsequent purchases. <input type="checkbox"/> goods available under exceptionally advantageous circumstances that arise only in the very short term, such as liquidation, bankruptcy, or receivership.

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<input type="checkbox"/>	a Contract to be awarded to the winner of a design contest and the contest was organized in a fair and transparent manner and was advertised by publicly posted notice and participants were judged by an independent jury.
<input type="checkbox"/>	The Procurement is being conducted on behalf of an entity that is not covered by the Procurement Policy or any trade agreement.
<input type="checkbox"/>	Unforeseeable events have resulted in a situation where extreme urgency exists and the goods or services could not be obtained in time through an Open Competition. <i>* The Department Lead must clearly identify and explain the unforeseeable events that brought about the urgency. Failure to plan for and proceed with a Procurement in a timely manner will not be considered a valid reason for a Non-Standard Procurement.</i>
<input type="checkbox"/>	The Procurement Value is below the Open Competition Threshold and it is in the best interests of the City to proceed with a Non-Standard Procurement. <i>* The Department Lead must clearly explain why it is in the City's best interest to proceed with a Non-Standard Procurement rather than an Invitational Competition.</i>
<input type="checkbox"/>	The Procurement is otherwise exempt from Open Competition requirements under all applicable trade agreements, and it is in the best interests of the City to proceed with a Non-Standard Procurement. <i>* The Department Lead must indicate the specific section(s) of the applicable trade agreements that provide for the exemption and clearly explain why it is in the City's best interest to proceed with a Non-Standard Procurement rather than an Open Competition.</i>

Insert details to explain and support the identified reason(s) and attach any relevant documentation.

Procurement Authorization

All Non-Standard Procurement Authorization Forms must be approved in accordance with the Authorization Schedule.

Authorized by the Department Head	Signature: _____ Name: _____ Date: _____
If Procurement value is at or above the Open Competition Threshold and below \$1 million The PRC agrees that a Non-Standard Procurement is justified under the circumstances. Signature: _____ Name: _____ Title: _____ Date: _____ Signature: _____ Name: _____ Title: _____ Date: _____ Signature: _____ Name: _____ Title: _____ Date: _____	
If the Procurement value is at or above \$1 million Authorization of the CAO must be obtained and attached to this form.	

Qualified Supplier Rosters Protocol

1. Purpose

The purpose of this protocol is to provide procedures and guidance for establishing and managing Qualified Supplier Rosters.

2. Interpretation

Defined terms used in this protocol have the meaning assigned in the Glossary of Terms (Schedule A) in the Procurement Policy.

For ease of reference, the following defined terms are repeated here:

“Open Framework Competition” means the Competitive Process used to establish a Qualified Supplier Roster and provide for an ongoing application process during the term of the Qualified Supplier Roster, as further described in this protocol.

“Qualified Supplier Roster” means a list of Suppliers that have participated in and successfully met the requirements of a Request for Supplier Qualifications (“RFSQ”) and have therefore been prequalified to perform discrete work assignments involving the delivery of a particular type of deliverable.

“Roster Competition” means an expedited, invitational competition between Suppliers that have been included on a Qualified Supplier Roster for the selection of a Supplier to perform a discrete work assignment during the term of the roster.

“Master Framework Agreement” means a master agreement entered into between the City and the prequalified Suppliers that have been included on a Qualified Supplier Roster.

3. Establishing a Qualified Supplier Roster

When a Department or multiple Departments require the same type of good or service on a regular or recurring basis, it may not be efficient or cost-effective to initiate a new open Procurement process each time that particular good or service is required. In such cases, a Qualified Supplier Roster of prequalified Suppliers should be established.

Procurement Services is responsible for establishing Qualified Supplier Rosters in co-operation with Departments. An Open Framework Competition is conducted through the public issuance of an RFSQ, and Suppliers are pre-screened based on the qualification criteria and evaluation process set out in the RFSQ.

The evaluation process must specify the minimum threshold and conditions that must be met in order for a Supplier to be considered qualified. Due to the variability of requirements, Qualified Supplier Rosters do not generally include firm pricing for all items in scope. In some cases, the RFSQ may include a requirement to provide ceiling prices, maximum hourly rates, or unit prices that the Supplier agrees not to exceed when submitting a Bid in response to a Roster Competition during the term of the Qualified Supplier Roster or for a shorter specified period of time. If the Qualified Supplier Roster is intended to be in place for a long

or indefinite period of time, it is not reasonable to require ceiling prices or maximum rates unless a reasonable price escalation mechanism will apply.

The qualified Suppliers meeting all of the requirements and conditions in the RFSQ process will be invited to enter into a Master Framework Agreement. Procurement Services is responsible for entering into and managing Master Framework Agreements on behalf of the City.

The Master Framework Agreement will set out the process for Roster Competitions and the general terms and conditions that will govern any future work assignments. Upon execution of the Master Framework Agreement, the qualified Supplier will be included on the Qualified Supplier Roster. As the need for the Deliverables arises, the City will select one or more of the Suppliers on the Qualified Supplier Roster to perform the work assignment through a Roster Competition.

A Qualified Supplier Roster does not result in any commitment by the City to purchase Deliverables from the Supplier. The Supplier may be selected, in accordance with the Roster Competition, to provide the Deliverables on a non-exclusive basis.

4. Preparing the RFSQ

The Solicitation Document should be prepared using the Roster Framework template. The following information must be addressed in the RFSQ:

- ☐ the qualification criteria and evaluation process;
- ☐ the threshold evaluation score needed in order to be included on the Roster; and
- ☐ the term of the Master Framework Agreement.

The RFSQ must not include:

- ☐ conditions for participation that are not essential to ensure that a Supplier has the legal and financial capacities and the commercial and technical abilities to provide the goods or services;
- ☐ local content or other economic benefits criteria that are designed to favour Suppliers from a particular geographic location (region, territory, province, or nation) or goods or services of a particular geographic location; or
- ☐ requirements that Bidders have previously been awarded Contracts by the City or have prior experience in a particular geographic location.

The Master Framework Agreement must be attached to the RFSQ and should include details regarding the management of the Qualified Supplier Roster, including:

- ☐ the process by which new Suppliers will be given the opportunity to qualify for inclusion in the Qualified Supplier Roster;
- ☐ the process by which Suppliers may be removed from the Qualified Supplier Roster; and
- ☐ the process for conducting Roster Competitions.

5. Conducting the Open Framework Competition

To establish a Qualified Supplier Roster, the Open Framework Competition should be conducted in accordance with the following:

5.1 Procurement Notice

Procurement Services is responsible for posting notice of the opportunity online. Suppliers must be able to access the notice free of charge. The notice inviting interested Suppliers to apply for inclusion in a Qualified Supplier Roster must include:

- ☐ procuring entity's name and address;
- ☐ contact information (phone and/or email) of contact person;
- ☐ information on how to obtain all relevant documents relating to the list;
- ☐ a description of the goods or services, or categories thereof, for which the Qualified Supplier Roster may be used;
- ☐ the conditions for participation to be satisfied by Suppliers for inclusion on the list and the methods that the procuring entity will use to verify that a Supplier satisfies the conditions;
- ☐ the period of validity of the list and the means for its renewal or termination, or if the period of validity is not provided, an indication of the method by which notice will be given of the termination of use of the list; and
- ☐ an indication that the list may be used for Procurement covered by Chapter 19 of the *Canada-European Union Comprehensive Economic and Trade Agreement* (the "CETA") and/or Chapter 5 of the *Canadian Free Trade Agreement* (the "CFTA").

5.2 Posting of Solicitation Document

Procurement Services is responsible for posting the RFSQ document online. The RFSQ document should be posted at the same time as the notice.

5.3 Time Period for Bid Submission

Suppliers must be provided sufficient time to prepare and submit responses to the RFSQ.

Whenever possible, the RFSQ should allow for responses to be submitted by electronic means. If responses are accepted by electronic means, Suppliers must be given a minimum of 25 calendar days to respond. If, for some reason, electronic submission of responses is not permitted, a minimum time period of 30 calendar days must be provided.

5.4 Ongoing Application Process

During the term of the Qualified Supplier Roster, both the notice inviting interested Suppliers to apply for inclusion in a Qualified Supplier Roster and the RFSQ document should be made continuously available,

and Suppliers must be permitted to apply for inclusion in the Qualified Supplier Roster at any time. The same qualification requirements, evaluation process, and Master Framework Agreement that were included in the original RFSQ will apply for the purpose of qualifying new Suppliers for inclusion on the Qualified Supplier Roster.

Applications for qualification must be considered on a quarterly basis and Suppliers must be promptly notified of the outcome. If an application is rejected, the Supplier must be provided with a written explanation of the reasons for the decision. A Supplier that applies for qualification and is not selected for inclusion on the Qualified Supplier Roster will not be permitted to reapply for a minimum of one year.

6. Removing Suppliers from the Qualified Supplier Roster

Suppliers that fail to perform Contracts awarded through a Roster Competition in a satisfactory manner may be removed from the Qualified Supplier Roster and will no longer be eligible to participate in Roster Competitions and will not be eligible to re-qualify during the term of the Qualified Supplier Roster.

In addition to poor performance, Suppliers may also be removed from the Qualified Supplier Roster on grounds such as:

- (a) bankruptcy or insolvency;
- (b) false declarations;
- (c) final judgments in respect of serious crimes or other serious offences; or
- (d) professional misconduct or acts or omissions that adversely reflect on the commercial integrity of the Supplier.

If a Supplier is removed from a Qualified Supplier Roster, the Supplier must be provided with a written explanation of the reasons for the decision.

7. Roster Competitions

The Suppliers on the Qualified Supplier Roster should be invited to compete for discrete work assignments during the term of the Qualified Supplier Roster. The successful Supplier selected from a Roster Competition will provide the required Deliverables for the price quoted in their Bid in accordance with the general terms and conditions contained in the Master Framework Agreement and any specific terms and conditions included in the Solicitation Document used for the Roster Competition.

If the Procurement Value of the required goods and services associated with the work assignment is below the Open Competition Thresholds, an invitational quote process may be used to solicit quotes from the Suppliers on the Qualified Supplier Roster, in accordance with the Master Framework Agreement and any applicable procedures established by Procurement Services.

If the Procurement Value of the required goods and services associated with the work assignment is at or above the Open Competition Thresholds, Procurement Services is responsible for conducting the Roster Competition in accordance with the following:

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- (a) The notice of intended Procurement must be publicly posted online and must indicate that inclusion on the Qualified Supplier Roster is a condition of participation in the Roster Competition.
- (b) The time period for submission of Bids must not be less than ten calendar days. Longer time periods of up to 25 days should be provided whenever possible.
- (c) If a Supplier that is not included on the Qualified Supplier Roster submits a request to participate in the Roster Competition and submits all required information necessary to apply for inclusion on the Qualified Supplier Roster within the time period for Bid submission, Procurement Services must consider the application and promptly notify the Supplier of the outcome. Only in exceptional cases, due to the complexity of the procurement, may the Supplier be excluded on the grounds that there was insufficient time to consider their application within the time period allowed for the submission of Bids.

If a Supplier that is not included on the Qualified Supplier Roster submits a request to participate in the Roster Competition and submits all required information necessary to apply for inclusion on the Qualified Supplier Roster within the time period for Bid submission, Supplies and Services should consider the application if there is sufficient time to do so within the time period allowed for the submission of Bids.

The Corporation of the City of Port Colborne

By-law No. _____

Being a By-law to Authorize Entering Into an Agreement of Purchase and Sale with 1456408 Ontario Inc. Respecting Pt. Lot 24, Con. 3, Part 1 59R-17094

Whereas at its meeting of December 13, 2021, Council approved the recommendations of Chief Administrative Office Report No. 2021-234, Subject: Land Acquisition – Pt. Lot 24, Con. 3, Part 1 59R-17094; and

Whereas Council is desirous of entering into an Agreement of Purchase and Sale with 1456408 Ontario Inc. for the sale of Pt. Lot 24, Con. 3, Part 1 59R-17094, for the purchase price of \$268,765.00 (plus HST);

Now therefore the Council of The Corporation of the City of Port Colborne enacts as follows:

1. That The Corporation of the City of Port Colborne enter into an Agreement of Purchase and Sale with 1456408 Ontario Inc. respecting Pt. Lot 24, Con. 3, Part 1 59R-17094 for the purchase price of \$268,765.00 (plus HST), which agreement is attached hereto as Schedule “A”.
2. That the Mayor and the Clerk be and each of them is hereby authorized and directed to sign said agreement, together with any documents necessary to complete the conditions of said agreement, and the Clerk is hereby authorized to affix the Corporate Seal thereto.
3. That the City Solicitor be and is hereby directed to prepare and register all such documents in the proper Land Registry Office as may be required to give full force and effect to this By-law.

Enacted and passed this 13th day of December, 2021.

William C. Steele
Mayor

Amber LaPointe
City Clerk

**Form 500**

for use in the Province of Ontario

Agreement of Purchase and Sale

Commercial

This Agreement of Purchase and Sale dated this 13th day of December, 2021

BUYER: The Corporation of the City of Port Colborne, agrees to purchase from
(Full legal names of all Buyers)

SELLER: 1456408 Ontario Inc., the following
(Full legal names of all Sellers)

REAL PROPERTY:

Address

fronting on the east side of Ramey Road

in the City of Port Colborne

and having a frontage of more or less by a depth of more or less

and legally described as PT LT 24, CON 3 HUMBERSTONE, BEING PART 1, PLAN 59R-17094 ;

PORT COLBORNE (the "property")
(Legal description of land including easements not described elsewhere)

PURCHASE PRICE:

Dollars (CDN\$) 268,765.00

Two Hundred Sixty-Eight Thousand Seven Hundred Sixty-Five Dollars

DEPOSIT: Buyer submits Upon acceptance
(Herewith/Upon Acceptance/as otherwise described in this Agreement)

Five Thousand Dollars (CDN\$) 5,000.00

by negotiable cheque payable to Seller's Solicitors "Deposit Holder"
to be held in trust pending completion or other termination of this Agreement and to be credited toward the Purchase Price on completion. For the purposes of this Agreement, "Upon Acceptance" shall mean that the Buyer is required to deliver the deposit to the Deposit Holder within 24 hours of the acceptance of this Agreement. The parties to this Agreement hereby acknowledge that, unless otherwise provided for in this Agreement, the Deposit Holder shall place the deposit in trust in the Deposit Holder's non-interest bearing Real Estate Trust Account and no interest shall be earned, received or paid on the deposit.

Buyer agrees to pay the balance as more particularly set out in Schedule A attached.

SCHEDULE(S) A **attached hereto form(s) part of this Agreement.**

1. IRREVOCABILITY: This offer shall be irrevocable by Buyer until 5 p.m. on
(Seller/Buyer) (a.m./p.m.)
the day of December, 2021, after which time, if not accepted, this offer shall be null and void and the deposit shall be returned to the Buyer in full without interest.

2. COMPLETION DATE: This Agreement shall be completed by no later than 6:00 p.m. on the day of
See Schedule "A", 20..... Upon completion, vacant possession of the property shall be given to the Buyer unless otherwise provided for in this Agreement.

INITIALS OF BUYER(S):

INITIALS OF SELLER(S):



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3. **NOTICES:** The Seller hereby appoints the Listing Brokerage as agent for the Seller for the purpose of giving and receiving notices pursuant to this Agreement. Where a Brokerage (Buyer's Brokerage) has entered into a representation agreement with the Buyer, the Buyer hereby appoints the Buyer's Brokerage as agent for the purpose of giving and receiving notices pursuant to this Agreement. **Where a Brokerage represents both the Seller and the Buyer (multiple representation), the Brokerage shall not be appointed or authorized to be agent for either the Buyer or the Seller for the purpose of giving and receiving notices.** Any notice relating hereto or provided for herein shall be in writing. In addition to any provision contained herein and in any Schedule hereto, this offer, any counter-offer, notice of acceptance thereof or any notice to be given or received pursuant to this Agreement or any Schedule hereto (any of them, "Document") shall be deemed given and received when delivered personally or hand delivered to the Address for Service provided in the Acknowledgement below, or where a facsimile number or email address is provided herein, when transmitted electronically to that facsimile number or email address, respectively, in which case, the signature(s) of the party (parties) shall be deemed to be original.

FAX No.:
(For delivery of Documents to Seller)

FAX No.:
(For delivery of Documents to Buyer)

Email Address:
(For delivery of Documents to Seller)

Email Address:
(For delivery of Documents to Buyer)

4. **CHATELS INCLUDED:**
None

Unless otherwise stated in this Agreement or any Schedule hereto, Seller agrees to convey all fixtures and chattels included in the Purchase Price free from all liens, encumbrances or claims affecting the said fixtures and chattels.

5. **FIXTURES EXCLUDED:**
None

6. **RENTAL ITEMS (Including Lease, Lease to Own):** The following equipment is rented and **not** included in the Purchase Price. The Buyer agrees to assume the rental contract(s), if assumable:
None

The Buyer agrees to co-operate and execute such documentation as may be required to facilitate such assumption.

7. **HST: If the sale of the property (Real Property as described above) is subject to Harmonized Sales Tax (HST), then such tax shall be in addition to the Purchase Price.** The Seller will not collect HST if the Buyer provides to the Seller a warranty that the Buyer is registered under the Excise Tax Act ("ETA"), together with a copy of the Buyer's ETA registration, a warranty that the Buyer shall self-assess and remit the HST payable and file the prescribed form and shall indemnify the Seller in respect of any HST payable. The foregoing warranties shall not merge but shall survive the completion of the transaction. If the sale of the property is not subject to HST, Seller agrees to certify on or before closing, that the transaction is not subject to HST. Any HST on chattels, If applicable, is not included in the Purchase Price.

INITIALS OF BUYER(S):



INITIALS OF SELLER(S):





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8. **TITLE SEARCH:** Buyer shall be allowed until 6:00 p.m. on the day of 5 days prior to Closing....., 20....., (Requisition Date) to examine the title to the property at his own expense and until the earlier of: (i) thirty days from the later of the Requisition Date or the date on which the conditions in this Agreement are fulfilled or otherwise waived or; (ii) five days prior to completion, to satisfy himself that there

are no outstanding work orders or deficiency notices affecting the property, that its present use (Industrial) may be lawfully continued and that the principal building may be insured against risk of fire. Seller hereby consents to the municipality or other governmental agencies releasing to Buyer details of all outstanding work orders and deficiency notices affecting the property, and Seller agrees to execute and deliver such further authorizations in this regard as Buyer may reasonably require.

9. **FUTURE USE:** Seller and Buyer agree that there is no representation or warranty of any kind that the future intended use of the property by Buyer is or will be lawful except as may be specifically provided for in this Agreement.

10. **TITLE:** Provided that the title to the property is good and free from all registered restrictions, charges, liens, and encumbrances except as otherwise specifically provided in this Agreement and save and except for (a) any registered restrictions or covenants that run with the land providing that such are complied with; (b) any registered municipal agreements and registered agreements with publicly regulated utilities providing such have been complied with, or security has been posted to ensure compliance and completion, as evidenced by a letter from the relevant municipality or regulated utility; (c) any minor easements for the supply of domestic utility or telecommunication services to the property or adjacent properties; and (d) any easements for drainage, storm or sanitary sewers, public utility lines, telecommunication lines, cable television lines or other services which do not materially affect the use of the property. If within the specified times referred to in paragraph 8 any valid objection to title or to any outstanding work order or deficiency notice, or to the fact the said present use may not lawfully be continued, or that the principal building may not be insured against risk of fire is made in writing to Seller and which Seller is unable or unwilling to remove, remedy or satisfy or obtain insurance save and except against risk of fire (Title Insurance) in favour of the Buyer and any mortgagee, (with all related costs at the expense of the Seller), and which Buyer will not waive, this Agreement notwithstanding any intermediate acts or negotiations in respect of such objections, shall be at an end and all monies paid shall be returned without interest or deduction and Seller, Listing Brokerage and Co-operating Brokerage shall not be liable for any costs or damages. Save as to any valid objection so made by such day and except for any objection going to the root of the title, Buyer shall be conclusively deemed to have accepted Seller's title to the property.

11. **CLOSING ARRANGEMENTS:** Where each of the Seller and Buyer retain a lawyer to complete the Agreement of Purchase and Sale of the property, and where the transaction will be completed by electronic registration pursuant to Part III of the Land Registration Reform Act, R.S.O. 1990, Chapter L4 and the Electronic Registration Act, S.O. 1991, Chapter 44, and any amendments thereto, the Seller and Buyer acknowledge and agree that the exchange of closing funds, non-registrable documents and other items (the "Requisite Deliveries") and the release thereof to the Seller and Buyer will (a) not occur at the same time as the registration of the transfer/deed (and any other documents intended to be registered in connection with the completion of this transaction) and (b) be subject to conditions whereby the lawyer(s) receiving any of the Requisite Deliveries will be required to hold same in trust and not release same except in accordance with the terms of a document registration agreement between the said lawyers. The Seller and Buyer irrevocably instruct the said lawyers to be bound by the document registration agreement which is recommended from time to time by the Law Society of Ontario. Unless otherwise agreed to by the lawyers, such exchange of Requisite Deliveries shall occur by the delivery of the Requisite Deliveries of each party to the office of the lawyer for the other party or such other location agreeable to both lawyers.

12. **DOCUMENTS AND DISCHARGE:** Buyer shall not call for the production of any title deed, abstract, survey or other evidence of title to the property except such as are in the possession or control of Seller. If requested by Buyer, Seller will deliver any sketch or survey of the property within Seller's control to Buyer as soon as possible and prior to the Requisition Date. If a discharge of any Charge/Mortgage held by a corporation incorporated pursuant to the Trust And Loan Companies Act (Canada), Chartered Bank, Trust Company, Credit Union, Caisse Populaire or Insurance Company and which is not to be assumed by Buyer on completion, is not available in registrable form on completion, Buyer agrees to accept Seller's lawyer's personal undertaking to obtain, out of the closing funds, a discharge in registrable form and to register same, or cause same to be registered, on title within a reasonable period of time after completion, provided that on or before completion Seller shall provide to Buyer a mortgage statement prepared by the mortgagee setting out the balance required to obtain the discharge, and, where a real-time electronic cleared funds transfer system is not being used, a direction executed by Seller directing payment to the mortgagee of the amount required to obtain the discharge out of the balance due on completion.

13. **INSPECTION:** Buyer acknowledges having had the opportunity to inspect the property and understands that upon acceptance of this offer there shall be a binding agreement of purchase and sale between Buyer and Seller.

14. **INSURANCE:** All buildings on the property and all other things being purchased shall be and remain until completion at the risk of Seller. Pending completion, Seller shall hold all insurance policies, if any, and the proceeds thereof in trust for the parties as their interests may appear and in the event of substantial damage, Buyer may either terminate this Agreement and have all monies paid returned without interest or deduction or else take the proceeds of any insurance and complete the purchase. No insurance shall be transferred on completion. If Seller is taking back a Charge/Mortgage, or Buyer is assuming a Charge/Mortgage, Buyer shall supply Seller with reasonable evidence of adequate insurance to protect Seller's or other mortgagee's interest on completion.

INITIALS OF BUYER(S):

INITIALS OF SELLERS(S):

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- 15. PLANNING ACT:** This Agreement shall be effective to create an interest in the property only if Seller complies with the subdivision control provisions of the Planning Act by completion and Seller covenants to proceed diligently at his expense to obtain any necessary consent by completion.
- 16. DOCUMENT PREPARATION:** The Transfer/Deed shall, save for the Land Transfer Tax Affidavit, be prepared in registrable form at the expense of Seller, and any Charge/Mortgage to be given back by the Buyer to Seller at the expense of the Buyer. If requested by Buyer, Seller covenants that the Transfer/Deed to be delivered on completion shall contain the statements contemplated by Section 50(22) of the Planning Act, R.S.O.1990.
- 17. RESIDENCY:** (a) Subject to (b) below, the Seller represents and warrants that the Seller is not and on completion will not be a non-resident under the non-residency provisions of the Income Tax Act which representation and warranty shall survive and not merge upon the completion of this transaction and the Seller shall deliver to the Buyer a statutory declaration that Seller is not then a non-resident of Canada;
(b) provided that if the Seller is a non-resident under the non-residency provisions of the Income Tax Act, the Buyer shall be credited towards the Purchase Price with the amount, if any, necessary for Buyer to pay to the Minister of National Revenue to satisfy Buyer's liability in respect of tax payable by Seller under the non-residency provisions of the Income Tax Act by reason of this sale. Buyer shall not claim such credit if Seller delivers on completion the prescribed certificate.
- 18. ADJUSTMENTS:** Any rents, mortgage interest, realty taxes including local improvement rates and unmetered public or private utility charges and unmetered cost of fuel, as applicable, shall be apportioned and allowed to the day of completion, the day of completion itself to be apportioned to Buyer.
- 19. TIME LIMITS:** Time shall in all respects be of the essence hereof provided that the time for doing or completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by Seller and Buyer or by their respective lawyers who may be specifically authorized in that regard.
- 20. PROPERTY ASSESSMENT:** The Buyer and Seller hereby acknowledge that the Province of Ontario has implemented current value assessment and properties may be re-assessed on an annual basis. The Buyer and Seller agree that no claim will be made against the Buyer or Seller, or any Brokerage, Broker or Salesperson, for any changes in property tax as a result of a re-assessment of the property, save and except any property taxes that accrued prior to the completion of this transaction.
- 21. TENDER:** Any tender of documents or money hereunder may be made upon Seller or Buyer or their respective lawyers on the day set for completion. Money shall be tendered with funds drawn on a lawyer's trust account in the form of a bank draft, certified cheque or wire transfer using the Large Value Transfer System.
- 22. FAMILY LAW ACT:** Seller warrants that spousal consent is not necessary to this transaction under the provisions of the Family Law Act, R.S.O.1990 unless the spouse of the Seller has executed the consent hereinafter provided.
- 23. UFFI:** Seller represents and warrants to Buyer that during the time Seller has owned the property, Seller has not caused any building on the property to be insulated with insulation containing ureaformaldehyde, and that to the best of Seller's knowledge no building on the property contains or has ever contained insulation that contains ureaformaldehyde. This warranty shall survive and not merge on the completion of this transaction, and if the building is part of a multiple unit building, this warranty shall only apply to that part of the building which is the subject of this transaction.
- 24. LEGAL, ACCOUNTING AND ENVIRONMENTAL ADVICE:** The parties acknowledge that any information provided by the brokerage is not legal, tax or environmental advice, and that it has been recommended that the parties obtain independent professional advice prior to signing this document.
- 25. CONSUMER REPORTS:** The Buyer is hereby notified that a consumer report containing credit and/or personal information may be referred to in connection with this transaction.
- 26. AGREEMENT IN WRITING:** If there is conflict or discrepancy between any provision added to this Agreement (including any Schedule attached hereto) and any provision in the standard pre-set portion hereof, the added provision shall supersede the standard pre-set provision to the extent of such conflict or discrepancy. This Agreement including any Schedule attached hereto, shall constitute the entire Agreement between Buyer and Seller. There is no representation, warranty, collateral agreement or condition, which affects this Agreement other than as expressed herein. For the purposes of this Agreement, Seller means vendor and Buyer means purchaser. This Agreement shall be read with all changes of gender or number required by the context.
- 27. TIME AND DATE:** Any reference to a time and date in this Agreement shall mean the time and date where the property is located.

INITIALS OF BUYER(S):



INITIALS OF SELLERS(S):



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28. SUCCESSORS AND ASSIGNS: The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms herein. SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:

The Corporation of the City of Port

..... (Witness)	Colborne (Buyer/Authorized Signing Officer)	..... (Seal)	..... (Date)
..... (Witness)	..... (Buyer/Authorized Signing Officer)	..... (Seal)	..... (Date)

I, the Undersigned Seller, agree to the above offer. I hereby irrevocably instruct my lawyer to pay directly to the brokerage(s) with whom I have agreed to pay commission, the unpaid balance of the commission together with applicable Harmonized Sales Tax (and any other taxes as may hereafter be applicable), from the proceeds of the sale prior to any payment to the undersigned on completion, as advised by the brokerage(s) to my lawyer.

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:

1456408 Ontario Inc.

..... (Witness)	..... (Seller/Authorized Signing Officer)	..... (Seal)	..... (Date)
..... (Witness)	..... (Seller/Authorized Signing Officer)	..... (Seal)	..... (Date)

SPOUSAL CONSENT: The undersigned spouse of the Seller hereby consents to the disposition evidenced herein pursuant to the provisions of the Family Law Act, R.S.O.1990, and hereby agrees to execute all necessary or incidental documents to give full force and effect to the sale evidenced herein.

..... (Witness) (Spouse) (Seal) (Date)
--------------------	-------------------	-----------------	-----------------

CONFIRMATION OF ACCEPTANCE: Notwithstanding anything contained herein to the contrary, I confirm this Agreement with all changes both typed and written was finally accepted by all parties at this day of, 20.....
(a.m./p.m.)

.....
(Signature of Seller or Buyer)

INFORMATION ON BROKERAGE(S)

Listing Brokerage .....	..... (Tel.No.)
..... (Salesperson/Broker/Broker of Record Name)	
Co-op/Buyer Brokerage .....	..... (Tel.No.)
..... (Salesperson/Broker/Broker of Record Name)	

ACKNOWLEDGEMENT

I acknowledge receipt of my signed copy of this accepted Agreement of Purchase and Sale and I authorize the Brokerage to forward a copy to my lawyer.

..... (Seller)	..... (Date)
..... (Seller)	..... (Date)
Address for Service	
..... (Tel. No.)	
Seller's Lawyer	
Address	
Email	
..... (Tel. No.)	..... (Fax. No.)

I acknowledge receipt of my signed copy of this accepted Agreement of Purchase and Sale and I authorize the Brokerage to forward a copy to my lawyer.

..... (Buyer)	..... (Date)
..... (Buyer)	..... (Date)
Address for Service	
..... (Tel. No.)	
Buyer's Lawyer	
Address	
Email	
..... (Tel. No.)	..... (Fax. No.)

FOR OFFICE USE ONLY

COMMISSION TRUST AGREEMENT

To: Co-operating Brokerage shown on the foregoing Agreement of Purchase and Sale:

In consideration for the Co-operating Brokerage procuring the foregoing Agreement of Purchase and Sale, I hereby declare that all moneys received or receivable by me in connection with the Transaction as contemplated in the MLS® Rules and Regulations of my Real Estate Board shall be receivable and held in trust. This agreement shall constitute a Commission Trust Agreement as defined in the MLS® Rules and shall be subject to and governed by the MLS® Rules pertaining to Commission Trust.

DATED as of the date and time of the acceptance of the foregoing Agreement of Purchase and Sale. Acknowledged by:

.....
(Authorized to bind the Listing Brokerage)

.....
(Authorized to bind the Co-operating Brokerage)

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Schedule A

Agreement of Purchase and Sale – Commercial

This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

BUYER: The Corporation of the City of Port Colborne, and

SELLER: 1456408 Ontario Inc.

for the purchase and sale of Port Colborne

..... dated the 13th day of December, 2021

Buyer agrees to pay the balance as follows:


This form must be initialed by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S):



INITIALS OF SELLER(S):



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SCHEDULE "A"

1) Purchase Price

The Buyer agrees to pay the balance of the Purchase Price, subject to adjustments, by bank draft or certified cheque, to the Seller on the completion of this transaction.

2) Due Diligence Documents

By no later than two (2) business days from the date of acceptance of this Agreement, the Seller will deliver to the Buyer all planning studies, environmental reports, soil tests, engineering reports and all other planning, engineering and survey material relating to the Property in the Seller's possession or control (the "**Due Diligence Documents**").

The Seller will also deliver such other documents in her control and possession that may be reasonably requested by the Buyer to assist in its due diligence by no later than five (5) business days after receipt of such request.

3) Due Diligence Conditions

(a) The Buyer's obligation to complete the transaction of purchase and sale contemplated under this Agreement is conditional for a period of ninety (90) days from the date of acceptance of this Agreement (the "**Conditional Date**") upon the Buyer being satisfied in its sole, absolute and unfettered discretion with respect to each of the following (the "**Due Diligence Conditions**"):

- (i) a review by the Buyer of the Due Diligence Documents relating to the Property;
- (ii) the economic feasibility and/or viability of the Buyer's intended use of the Property and any business operating thereon;
- (iii) the physical condition of the Property and the building situation thereon; and
- (iv) the environmental condition of the Property;

The foregoing conditions are for the sole benefit of the Buyer and may be waived by the Buyer in its sole, absolute and unfettered discretion in whole or in part by written notice to the Seller or its solicitors. In the event that notice of the satisfaction or waiver of this condition has not been provided in writing by the Buyer to the Seller, or the Seller's solicitors, prior to 5 pm on the Conditional Date, then this Agreement shall come to an end upon which it is agreed that neither party shall have any further rights or obligations hereunder and the Deposit will be returned to the Buyer without deduction.

(b) From the date of this Agreement until the Closing Date, the Seller will ensure that the Buyer, its representatives and advisers will, upon reasonable prior notice by the Buyer to the Seller, have full access to the Property to inspect and carry out tests and investigations of the Property, including, without limitation, a Phase I and/or Phase II Environmental Assessment. All tests and investigations carried out by the Buyer or its representatives or advisors will be at the Buyer's sole risk and expense and the Buyer shall not commit waste. Any damage resulting from the Buyer's tests or investigations will be promptly paid for by the Buyer or repaired at its sole expense and the Buyer shall indemnify the Seller in respect of any such damage in the event the transactions contemplated hereby are not successfully completed.

4) Closing Date

The "**Closing Date**" is sixty (60) days after the Buyer delivers notice of the waiver or satisfaction of the Due Diligence Conditions in the manner prescribed in Section 3 above.

5) Notice

Any notice, approval, waiver, agreement, instrument, document or communication permitted, required or contemplated in this Agreement may be given or delivered and accepted or received by the Buyer's solicitors on behalf of the Buyer and by the Seller's solicitors on behalf of the Seller. If the last day of a time period is not a business day in the Province of Ontario, then the time period shall end on the next business day.

The Corporation of the City of Port Colborne

By-law No. _____

Being a By-law to Authorize Entering into an Agreement with Economic
Developers Council of Ontario for the My Main Street Local Business
Accelerator Program

Whereas at its meeting of December 13, 2021, the Council of The Corporation of the City of Port Colborne (Council) approved the recommendations of Chief Administrative Office Report No. 2021-314, Subject: My Main Street – Local Business Accelerator Program; and

Whereas Council is desirous of entering into a Contribution Agreement with the Economic Developers Council of Ontario (EDCO) for the My Main Street Local Business Accelerator program; and

Whereas the *Municipal Act*, 2001 S.O. 2001, c.25, as amended, confers broad authority on municipalities to enter into such agreements;

Now therefore the Council of The Corporation of the City of Port Colborne enacts as follows:

1. That The Corporation of the City of Port Colborne enters into a Contribution Agreement with EDCO for the My Main Street Local Business Accelerator Program.
2. That the Mayor and the Clerk be and they are hereby authorized and directed to sign the said agreement, attached hereto as Schedule “A”, together with any documents necessary to complete the conditions of said agreement, and the City Clerk is hereby authorized to affix the Corporate Seal thereto.

Enacted and passed this 13th day of December, 2021.

William C. Steele
Mayor

Amber LaPointe
City Clerk

Schedule A to By-law _____

**CONTRIBUTION AGREEMENT –
MAIN STREET AMBASSADOR COMMUNITY NON-REPAYABLE CONTRIBUTION**

Between:

Economic Developers Council of Ontario

and

The Corporation of the City of Port Colborne

SIGNATURE PAGE

In Witness Whereof this Contribution Agreement:

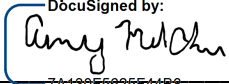
- (a) is entered into by and between the Economic Developers Council of Ontario, hereinafter “EDCO” and **The Corporation of the City of Port Colborne**, hereinafter “Participant”;
- (b) is effective **January 3, 2022** (the “Effective Date”) and terminates **January 3, 2023** (the “Expiration Date”) (subject to the early termination provisions below and in the Contribution Agreement Addendum attached hereto);
- (c) includes all the terms and conditions set out in the Contribution Agreement Addendum attached hereto; and
- (d) if not signed by the Participant within thirty (30) days after initially being provided to the Participant by EDCO may be terminated by EDCO in writing with no additional notice.

Contribution Amount: **\$57,500.00**

Payment to the Participant will be made by Electric Fund Transfer (EFT). The Participant shall complete the EFT Form (see Appendix A)

Attachment A - Main Street Ambassador Non-Repayable Contribution Application (MMSP) is attached hereto.

Economic Developers Council of Ontario

DocuSigned by:
Per  _____
7A130F5025F44B8...

Name Amy Matchen Title Director, My Main Street

PARTICIPANT

Per _____

Name Bram Cotton Title _____

**CONTRIBUTION AGREEMENT ADDENDUM –
MAIN STREET AMBASSADOR COMMUNITY NON-REPAYABLE CONTRIBUTION**

WHEREAS, the purpose of this Contribution is for the retention of a Main Street Ambassador in the Participant's community.

WHEREAS, funding for activities performed under this Contribution are provided by EDCO, through an initiative of Her Majesty The Queen In Right Of Canada ("Her Majesty") represented by the Minister (the "Minister") responsible for Federal Economic Development Agency for Southern Ontario.

WHEREAS, as part of the Southern Ontario Prosperity Program, the Minister has approved this project designed to support businesses and stimulate economic activity in communities across Southern Ontario.

WHEREAS, this Contribution is awarded through an application process administered by EDCO pursuant to which the Participant submitted an application (Application).

WHEREAS, Participant has submitted a proposal which has been accepted by EDCO including a plan or scope of work, which is herein incorporated by reference.

NOW THEREFORE, in consideration of the mutual covenants herein below specified and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties herein agree to the following:

EDCO shall:

1. Advance funds to the Participant, upon approval of the Main Street Ambassador Non-Repayable Contribution Application in compliance with contribution guidelines and all Applicable Laws.

The Participant shall:

1. Implement the Main Street Ambassador Non-Repayable Contribution Application (MMSP) as outlined in Attachment A which is on file with EDCO.

2. Be advanced funds in accordance with the approved budget narrative which pertains to this Contribution and is included in the Main Street Ambassador Community Non-Repayable Contribution Application (MMSP) and outlined in Attachment A.
3. Maintain information on all businesses contacted and/or served by the Main Street Ambassador(s) on the HubSpot platform.
4. Submit monthly progress reports, by the 5th of the following month.
5. Submit two interim reports one at 3 months and 6 months, including expenditures and receipts expended for the reporting period.
6. Submit the Final Report including outcomes and receipts for funds expended within the reporting period.

Under no circumstances shall the maximum amount payable under this Contribution Agreement exceed Contribution Amount for the Contribution period.

By signing this Contribution, the Participant affirms that, for the duration of this Agreement and the Contribution, it will not violate any Applicable Law.

SECTION 1 - INTERPRETATION OF THE AGREEMENT

- 1.1 Definitions. The following capitalized terms shall have the meanings set out below unless there is something in the context inconsistent therewith:

“Agreement” means this agreement, the Application, Guidelines, appendices and any amendments to these documents;

“Applicable Laws” means all federal, provincial, territorial, municipal, and other applicable laws, including without limitation, statutes, regulations, by-laws, rules, ordinances and decrees. This includes legal requirements and regulations relating to environmental protection and the successful implementation of and adherence to any mitigation measures, monitoring or follow-up program, which may be prescribed by federal, provincial, territorial, or municipal bodies;

“Centralized Project Partnership” (CPP) means a community partnership which may include BIAs, Municipalities, Chamber of Commerce or Small Business Enterprise Centres;

"Contribution" means financial assistance in the amount of up to the Contribution Amount shown on the Signature Page to this Agreement to be disbursed by EDCO to the Participant in the manner provided in this Agreement;

“My Main Street Program” means the program continued for purposes of creating a supportive and dynamic business environment, and the Minister’s priority of supporting rural communities and small and medium-sized enterprises to enable their recovery from economic disruptions associated with the COVID-19 outbreak;

"Main Street Ambassador" means the person hired to deliver the program in an identified main street community and who will assist main street businesses with their recovery and startup needs;

"Main Street Ambassador Non-Repayable Contribution Application (MMSP)" means the working document submitted by the Participant with the Application and approved by EDCO (as outlined in Attachment A);

"Disbursement" means any advance of funds authorized by EDCO on account of the Contribution;

"Effective Date" is the date the Agreement takes effect;

"Expiration Date" is the date the Agreement expires;

"Guidelines" means the guidelines provided to the Participant with the Application, which set out the terms and conditions for the My Main Street Program, as may be amended from time to time without notice; and

"Term" means the period of time beginning on the Effective Date of this Agreement and ending on the Expiration Date or the termination of this Agreement, whichever is shorter.

SECTION 2 - PARTICIPANT COVENANTS

- 2.1 The Participant shall satisfy the targets set out in the MMSP and shall notify EDCO promptly in accordance with paragraph 7.8 in the event the Participant desires to make any material changes to the MMSP or is unable to meet the targets set out in the MMSP or the Milestones identified in Attachment A.
- 2.2 If the Participant is a BIA, they shall provide a copy of the Municipal By-laws enacting the BIA upon request.
- 2.3 If the Participant is a community partnership and have developed a Centralized Project Partnership (CPP), this Participant will provide a copy of the partnership agreement and/or Memorandum of Understanding signed by all parties including the local BIAs (if applicable and upon request).
- 2.4 The Participant shall comply with and duly observe all Applicable laws.
- 2.5 The Participant agrees that it will provide the Minister with reasonable access to any site at which the Participant owns, controls, or operates in whole or in part, for the purpose of ensuring that the terms and conditions of any environmental approval are met, and that any required conditions, mitigation measures, monitoring or program follow up have been carried out.

- 2.6 The Participant agrees that any assets acquired, constructed, rehabilitated, or improved with the funds provided under this Agreement will not be sold or otherwise disposed of without EDCO's prior written approval for the term of this Agreement.
- 2.7 The Participant shall provide the following in accordance with their individual MMSP:
- a) reporting including timelines, budget tracking, contracts with local Main Street Ambassadors and a duly signed financial report for all expenses within 10 days of the Expiration Date of this Agreement. All receipts for expenses incurred must be kept for seven (7) years and presented upon audit request.

SECTION 3 - PARTICIPANT'S REPRESENTATIONS AND WARRANTIES

- 3.1 The Participant represents and warrants that:
- a) the information supplied in the Application and the MMSP or in support of the MMSP by the Participant is true and accurate. The Participant acknowledges that EDCO has relied upon the truth, authenticity and accuracy of the information in authorizing the Contribution;
 - b) if a Centralized Project Partnership (CPP) is formed, and a formal contract has been entered into by all parties it must:
 - (i) be consistent with this Agreement;
 - (ii) not conflict with this Agreement;
 - (iii) incorporate the provisions of this Agreement to the fullest extent possible;
 - (iv) require all parties to that Contract comply with all applicable laws; and
 - (v) authorize EDCO to perform audits of the parties to that Contract in relation to the Project as EDCO sees fit.

SECTION 4 - THE AWARD

- 4.1 Subject to and in accordance with all the terms and conditions of this Agreement, and in reliance on the representations and warranties in Section 3, EDCO agrees to provide a Contribution to the Participant not to exceed the amount as listed on the Contribution Agreement Signature Page, to assist the Participant to carry out the MMSP.

SECTION 5 - TERMS AND CONDITIONS OF DISBURSEMENT

- 5.1 The Contribution shall be disbursed to the Participant as follows:
- a) the disbursement of the Contribution shall be upon execution of this Agreement by both parties and will follow the identified schedule:
Per
\$15,000 – upon execution of the Agreement by both parties, and submission of the Employment Contract between Participant and Main Street Ambassador
\$25,000 – upon submission and review of interim report three months after Effective Date.

\$17,500 – upon submission and review of interim report six months after Effective Date.

- b) provided that the Participant is and has at all times throughout the Term been in compliance with the terms, conditions and covenants of this Agreement and has provided EDCO, with the following documents on or before the end of the Term.
 - (i) monthly, interim and final reports;
 - (ii) a detailed expenditure statement and accounting, satisfactory to EDCO for the expenditure of the Contribution including a statement of all costs incurred and paid by the Participant on account of the Business together with, invoices and other appropriate records supporting the said expenditures and proof of payment thereof organized; and
 - (iii) any additional documentation required or requested by EDCO.

SECTION 6 – TERMINATION

- 6.1 EDCO shall have the right to terminate this Agreement if the Participant fails to observe, perform, and keep each covenant, agreement, provision, stipulation and condition contained in this Agreement and in such event upon 15 days written notice to the Participant:

- (i) all obligations of EDCO to make Disbursements on account of the Contribution shall be immediately extinguished; and,
- (ii) EDCO may, terminate this Agreement and all disbursements made pursuant to this Agreement shall be immediately due and payable by the Participant together with interest at Prime plus 1% per annum as established by the Bank of Canada.

SECTION 7 - GENERAL

- 7.1 Audit and Access

- a) Subject to any limitations or restrictions placed on the Participant by the Municipal Freedom of Information and Protection of Privacy Act, R.S.O. 1990, c. M.56, the Municipal Act, 2001, S.O. 2001, c. 25 and any other federal, provincial or municipal legislation, regulation, by-law, or policy or procedure concerning municipal record-keeping, records retention or information management, and any amendments to any of the foregoing, all contracts, papers, correspondence, copies, books, payrolls, records, accounts, invoices, statements, accounting records and other information and material of the Participant relating to the expenses incurred by the Participant pursuant to this Agreement shall be open to audit and examination by the Minister or as the Minister directs or by EDCO or its agent at all reasonable times during the Term of this Agreement and for a period of 7 years thereafter, during which period the Participant shall maintain all such records.
- b) The Participant agrees that the Minister has: a right to monitor the implementation of this Agreement or to have a third party with the required expertise to so monitor

same; and a right of access to the Participant's site and its books and accounts consistent with the monitoring and audit rights contained in provision.

- c) The Participant agrees to EDCO, upon request and in a timely manner, for the purpose of releasing to the Auditor General of Canada, all records held by the Participant, or by agents or contractors of the Participant, relating to this Agreement and the use of funds; and such further information and explanations as the Auditor General, or anyone acting on behalf of the Auditor General may request relating to any part of this Agreement or the use of funds.
- 7.2 Governing Law - This Agreement is to be governed by and interpreted in all respects in accordance with the laws of the Province of Ontario and the laws of Canada.
- 7.3 Entire Agreement - This Agreement, including the Application and Guidelines, and Main Street Ambassador Plan forms the entire Agreement between the Participant and EDCO and supersedes all prior agreements and understandings. In the event of the expiry or termination of this Agreement, the following provisions shall survive such expiry or termination: 6.1, 7.1, 7.3, 7.5, 7.6, 7.7 (second sentence), 7.8, 7.11, 7.12, 7.13, 7.16 and 7.17.
- 7.4 Time - Time is of the essence of this Agreement.
- 7.5 Assignment - This Agreement may not be assigned by the Participant without the prior written consent of EDCO.
- 7.6 Limitation of Liability and Indemnification
- a) Except where the EDCO is in breach of this Agreement and except for any negligent act or omission of the EDCO or its officers, officials employees or agents, EDCO shall not be responsible or liable for any direct, indirect, or consequential damages whatsoever sustained by the Participant or any of its employees, customers or any other third parties, in connection with this Agreement or the operation of the Participant's Main Street Ambassador, howsoever caused and the Participant hereby indemnifies and saves harmless EDCO, its elected and appointed officials, officers, employees and agents from any loss, liability, or damages that EDCO may incur in connection with the operation of the Participant's MMSP as a result of action by Participant.
 - b) The Minister shall have no liability under this Agreement. Without limiting the generality of the foregoing, the Minister shall not be liable for any direct, indirect, special or consequential damages, or damages for loss of revenues or profits of the Participant.
 - c) The Participant shall at all times indemnify and save harmless EDCO and Her Majesty, its officers, officials, employees and agents, from and against all claims and demands, losses, damages, actions, suits or other proceedings (including, without limitation, those relating to injury to persons, damage to or loss or destruction of property, or infringement of rights) by whomsoever brought or prosecuted, or threatened to be brought or prosecuted, in any manner based upon

or occasioned by any injury to persons, damage to or loss or destruction of property, or infringement of rights, caused by, or arising directly or indirectly from:

- (i) the implementation of the Participants MMSP funded by the Contribution, their operation, conduct or any other aspect thereof;
- (ii) the performance or non-performance of this Agreement, or the breach or failure to comply with any term, condition, representation or warranty of this Agreement, by the Participant;
- (iii) any omission or other wilful or negligent act or delay of the Participant, except to the extent to which such claims and demands, losses, damages, actions, suits, or other proceedings relate, in the case of the indemnity of Her Majesty and EDCO, to the negligent act or omission of an officer, official, employee, or agent of Her Majesty, in the performance of his or her duties, and, in the case of the indemnity of EDCO, to the negligent act or omission of an officer, official, employee, or agent of EDCO, in the performance of his or her duties.

- 7.7 Insurance - The Participant shall carry all necessary and appropriate insurance that a prudent person in the business of the Participant would maintain. No protection will be afforded to the Participant by the Federal Government or EDCO for any claims arising in connection with this Agreement or the Participants' operation of the Business.
- 7.8 Notices - Any notice, request, demand, consent, approval, correspondence, report or other communication required pursuant to or permitted under this Agreement must be in writing and must be given by personal delivery, or transmitted by email, fax or other electronic message system which provides a hard copy, or be sent by first class mail, postage or charges prepaid, and addressed to the party to whom it is intended at, in the case of the Participant, the address set out in the Application and in the case of EDCO, to the address set out below:

Amy Matchen
Director, My Main Street Local Business Accelerator
Economic Developers Council of Ontario
24 Barry Street East
Long Sault, ON K0C 1P0

amy.matchen@mymainstreet.ca

Any such notice shall be deemed to be received, if personally delivered or sent by email, fax, or other electronic message on the day it is sent and if such notice is sent by first class mail it shall be deemed to have been received on the date that is five days after the date of mailing.

- 7.9 Non-Agent - Nothing in this Agreement shall be construed as creating a partnership, joint venture, agency, or employment relationship between the Participant and EDCO.

- 7.10 Conflict in Documents - In the event of any conflict or inconsistency in this Agreement, (a) the main body of the Agreement shall govern over the Appendices to the Agreement; (b) the Agreement (including its Appendices) shall govern over the Guidelines and the Application; and (c) the Guidelines shall govern over the Application.
- 7.11 Conflict of Interest - The Participant shall ensure that all persons associated with the Business, in any capacity, shall carry out the Main Street Ambassador Plan, in all its aspects, without a conflict of interest. For these purposes, a conflict of interest includes any circumstances where (a) the Participant; or (b) any person who has the capacity to influence the Participant's decisions; has outside commitments, relationships or financial interests that could, or could be seen to, interfere with the Participant's objective, unbiased and impartial judgment relating to the Business and the use of the Contribution. The Participant shall (a) disclose to EDCO, through the Project Manager, without delay any actual or potential situation that may be reasonably interpreted as either a conflict of interest or a potential conflict of interest; and (b) comply with any Terms and Conditions that EDCO may prescribe as a result of the disclosure. The Participant shall ensure that: (a) in the event that it uses lobbyists, they are registered in accordance with the relevant lobbying legislation and that no actual or potential conflict of interest exists nor any contingency fee arrangement; and (b) any former public office holder that derives benefit from this Agreement will be in compliance with the Conflict-of-Interest Act and the Values and Ethics Code for the Public Sector.
- 7.12 Amendments - This Agreement may not be amended, altered, or modified except by a written agreement signed by both EDCO and the Participant.
- 7.13 Waiver - The benefit of any provision of this Agreement may be waived in whole or in part by the party for whose benefit the provision operates and either party may waive any or all of its rights in the event of a breach of any provision of this Agreement by the other party. A waiver is binding on the waiving party only if it is in writing. A waiver may be absolute or may be limited in any way as to duration or scope.
- 7.14 Further Assurances - The Participant agrees at any time and from time to time after the execution and delivery of this Agreement to execute and deliver such further acts and things as EDCO may reasonably request in order to fully effect the purpose of this Agreement.
- 7.15 Force Majeure - Neither party shall be responsible for failures in performance resulting from matters beyond the control of the party, including acts of God, pandemic, riots or other civil insurrection, war, strikes and lockouts.
- 7.16 Severability - The invalidity or unenforceability of any provision of this Agreement or any covenant in it will not affect the validity or enforceability of any other provision or covenant in it, and the invalid provision or covenant will be deemed to be severable.
- 7.17 Communication
- a) The Participant shall not use in its communications (including without limitation announcements, media releases, press releases, publicity, or marketing literature) either EDCO's name, or any marks or logos related to, (including without limitation 'My Main Steet' or 'MMS') without first obtaining EDCO's written approval.

- b) The Participant consents, acknowledges and agrees that the Minister may contact the Participant directly for the purposes of success stories, announcements, ceremonies, and other communications activities and, without limiting the generality of the foregoing:
- (i) acknowledges the federal government's role in the funding provided through this Agreement and will include this acknowledgement in public facing materials and digital and other media content;
 - (ii) consents to a public announcement of its MMSP by or on behalf of the Minister in the form of a news release and/or event;
 - (iii) agrees that the Minister, through the Agency and EDCO, shall inform the Participant of the date the public announcement is to be made, and the Participant shall maintain the confidentiality of the funding agreement until such date;
 - (iv) consents to the participation of the Minister or the Minister's representatives at the announcement event regarding this Agreement and/or the Contribution, and to have the event take place on a day mutually agreed upon by the Participant and the Minister or its representatives;
 - (v) agrees to a media/public event upon completion of this Agreement and/or the Contribution (or at another time determined by the Minister) with the Minister or the Minister's designated representatives at mutually agreeable venue, time, and date; and
 - (vi) agrees to display promotional material and/or signage provided by the Agency at the event.
- c) The Participant also consents and agrees that EDCO may post and maintain on its website a reference to this Agreement and the location and amount of Contribution amount provided pursuant to this Agreement.

[End of Contribution Agreement]

APPENDIX A



Economic
Developers
Council
of Ontario

EFT DIRECT PAYMENT FORM***MY MAIN STREET PROGRAM***

24 Barry Street East Long Sault, ON K0C 1P0

Tel: 613-362-3722

Section A: Vendor Information

Vendor Name:	Vendor ID:
Mailing Address:	Phone:
City: Province:	Postal Code:
Remittance Email Address:	

Section B: Banking Information (please complete all fields to ensure successful EFT transfer)

Transit #: Bank #: Account #:
Name of Financial Institution:
Branch Address:
City/Province: Postal Code:

Section C: Vendor's Authorization

I hereby consent and give EDCO (my main street program) the authorization to use the attached banking information to process an electronic payment directly to my bank account through the use of Electronic Funds Transfer. I also agree to update EDCO (my main street program) should any of the banking information below change.

Authorized Signature

Date

Title



ATTACHMENT A

Local Business Accelerator Application

Applications for the Small Business Accelerator will open October 1, 2021 and will close March 31, 2022 or when all funding has been allocated, whichever comes first.

Questions? Please see the Local Business Accelerator Application Guide on our website at www.mymainstreet.ca or contact us at ambassadors@mymainstreet.ca

Organization Name:	The Corporation of the City of Port Colborne	
Address:	66 Charlotte Street, Port Colborne, ON L3K 3C8	
Contact Name:	Bram Cotton	
Title:	Economic Development Officer	
Phone Number:	905-835-2900 ext. 504	
Email:	Bram.Cotton@portcolborne.ca	
Total non-repayable contribution amount requested:	\$57,500	
Number of Main Street ambassadors requested:	1	
Number of Main Street communities to be served:	1	
Number of Main Street businesses to be served:	100	
Applicant Overview – Please provide an overview of your organization.		



The City of Port Colborne is a lower-tier municipality in the Niagara Region of southern Ontario. Located on Lake Erie and at the south end of the Welland Canal, the presence of the canal provides a competitive advantage, most notably through the billion-dollar industrial marine sector. This sector comprises ports and ships that connect the Atlantic Ocean to the Great Lakes via the national trade corridor. Port Colborne also enjoys excellent connections to transportation infrastructure like rail, air and highways, which all offer easy access to Toronto and the US border.

Per the Municipal Act, 2001, the City is governed by a council of nine elected officials who make decisions about services, operations and financing to ensure the municipality's well-being and interests are maintained. A three-year (2020-2023) strategic plan — including community and corporate priorities that align with and support a long-term vision — guides City council. The plan also describes a city poised to welcome change, preserve quality of life and increase economic activity.

Several economic development projects and tourism initiatives are underway that will bring new investment, jobs and residents to Port Colborne and support its downtown, waterfront, and business community. In addition, an array of recreational, natural, historical and cultural amenities is widely available for residents and visitors to enjoy, thanks in large part to City council's ongoing commitment to community needs and values. Building partnerships with key stakeholders remains a top priority for both council and the City's corporate leadership team, especially because it is through partnerships that Port Colborne will achieve its vision and goals.

Municipal Overview – Please provide an overview of your municipality, including population and demographics.

The population of Port Colborne is 18,306 according to the 2016 census. There was a population decline in Port Colborne of -0.60% (or 118 people) from 2011 to 2016. In comparison, Niagara and Ontario both experienced positive growth from 2001 to 2016. Niagara grew by 3.8% from 2011 to 2016 and Ontario grew by 4.6%. A growing population is one of the main avenues through which a community can increase its economic prospects. Hence, addressing decline and promoting population growth are priorities for the City of Port Colborne.

Employment in Port Colborne is concentrated in three sectors: manufacturing, health care and social assistance, and retail trade. Retail trade jobs outweigh all other industries and manufacturing is the second most dominant. Individuals who reside in Port Colborne but



commute outside for work are included in this statistic. A large portion (43.2%) of Port Colborne residents leave the city for work, and just over 40% of jobs available in Port Colborne are filled by outside residents. From 2011 to 2016, the unemployment rate in Port Colborne increased by 1.4% and the employment rate experienced a corresponding decrease effect of 0.8%.

Statistics Canada – 2016 Census	
Age	
0 to 14 years	13.4%
15 to 64 years	62.0%
65 years and over	24.6%
Gender	
0 to 14 years	14.0% male, 12.8% female
15 to 64 years	63.0% male, 61.1% female
65 years and over	23.1% male, 26.2% female
Income	
Under \$10,000	12.9%
\$10,000 to \$19,999	19.5%
\$20,000 to \$29,999	17.7%
\$30,000 to \$39,999	14.0%
\$40,000 to \$49,999	11.0%
\$50,000 to \$59,999	7.8%
\$60,000 to \$69,999	5.3%
\$70,000 to \$79,999	3.1%
\$80,000 to \$89,999	2.3%
\$90,000 to \$99,999	2.1%
\$100,000 and over	4.4%
Median household income	\$57,244
Median individual income	\$29,977

While median household income declined from 2005 to 2015, median individual income in Port Colborne increased over the 10-year period. The largest income bracket in Port Colborne is \$10,000-\$29,999, with 37.2% of population falling within it. In Niagara and Ontario, the largest individual income bracket is \$20,000-\$39,999 and the largest household income bracket is \$50,000-\$99,999.

More detail information on other demographic variables like [education](#), [housing](#), [ethnic origin](#) and [Aboriginal peoples](#) can be found online.



Main Street Community Overview – please describe the main street area your planned Main Street Ambassador will support, including:

- Demographics and population insights for the neighbourhood and trade area.
- Estimated number of businesses in the main street area.
- Estimated vacancy rate and/or number of vacancies in the main street area.
- An overview of the challenges and opportunities in the main street area (i.e., historic challenges, planning policies, other investments, etc.).
- Highlight if the identified main street area features equity seeking/racialized populations.
- Highlight if the identified main street area was struggling pre-pandemic.
- A map or boundary lines of the main street area that will be served.

If you are applying for multiple Main Street Ambassador non-repayable contributions, please provide an overview for each main street community.

As evidenced by its demographic profile, Port Colborne has a noticeably older population and a limited working age population. There is a shortage of jobs in Port Colborne to satisfy the number of residents in the workforce. There are 6,265 residents from Port Colborne who work, but only 4,835 positions in Port Colborne being filled. This means that even if all positions in Port Colborne were filled, 1,430 local residents would still need to commute elsewhere to find work. Communities without a strong working age population can find it difficult to attract new businesses, as such businesses typically choose to locate where their staffing needs will be met. Attracting businesses that provide well-paying jobs can help to encourage local youth to remain in Port Colborne after completing their education. Existing businesses have expressed frustration in the past with the lack of skilled or adequately qualified workers, particularly in high skilled areas such as manufacturing. Encouraging the hiring of skilled local residents would help to keep more earnings and spending in Port Colborne.

The Main Street Ambassador will support Port Colborne's downtown business area and Main Street business area. These two areas have significant commercial and community importance. A map is included with this application to show catchment. The estimated number of businesses in the downtown and Main Street business areas is 175. The current vacancy in the downtown business area is 15%.

It is important to note the prevalence of small-sized businesses in Port Colborne. 62% of business establishments in Port Colborne are self-employed (i.e., do not maintain an employee payroll but may have a workforce consisting of contracted workers, family members or business owners). Furthermore, a significant portion of existing businesses has been operating in Port Colborne for over 30 years.



Even before the pandemic, many businesses in the downtown and Main Street business areas reached stagnation and began showing early signs of deterioration. The effects of the pandemic have only exacerbated the situation. Some businesses have been affected disproportionately compared to others. Businesses in the downtown and Main Street areas that rely on person-to-person interaction and gatherings of people — including two of Port Colborne's most dominant sectors (i.e., retail trade and health care and social assistance) — experienced staggering revenue losses and difficulties paying for fixed expenses.

Challenges and opportunities that are relevant to the downtown and Main Street business areas have been identified through the City's Economic Development Strategic Plan: 2018-2028.

Challenges

- Attract and increase new investment;
- Provide services to existing businesses to assist with business retention and growth or expansion, as up to 90% of new jobs come from existing businesses;
- Address the limited availability of small offices or co-working spaces as well as the lack of evening activity, short-term accommodation options and gathering spaces for residents, visitors and events;
- Focus on reducing vacant storefronts, which give visitors a negative first impression and undesirable perception of Port Colborne; and
- Support businesses who need to obtain financing to address dated and tired building facades and signage.

Opportunities

- Maintain and enhance Port Colborne's unique character by updating building facades and signage as well as by adding more amenities to be pedestrian and cycle friendly;
 - Have a strong visual and physical relationship with the Welland Canal and celebrate Port Colborne's history as a working port;
- Be an active and vibrant commercial area at all times throughout the day and year;
 - Have a greater variety of retail shops and stores selling goods as well as longer opening hours;
- Encourage collaboration and partnerships between various levels of government to attract employment and allow for growth in key sectors;
 - Facilitate investment readiness in advanced manufacturing, tourism, health care and social services, marine transportation, distribution and logistics, food processing, biosciences, green technologies and interactive media;

MY MAIN STREET

MA RUE PRINCIPALE

- Launch marketing campaigns that highlight opportunities to rent high quality commercial properties at a reasonable cost;
- Deliver a diverse range of affordable housing options and have more people live in Port Colborne's commercial areas; and
- Provide land and infrastructure for the continued sustainable development of tourism attractions and facilities.

The downtown and Main Street business areas are in serious need of more representation from equity-seeking/racialized populations. Statistics from the 2016 census indicate that the most common visible minorities in Port Colborne are Black (0.5%), South Asian (0.5%) and Chinese (0.3%). The highest proportion of Indigenous people to municipality population for the whole Niagara region is in Port Colborne at 5.2% (or 1,395). A statistical portrait of Port Colborne's diverse LGBTQ2+ community is expected upon the release of data from the 2021 census.

Main Street Community Objectives – please provide an overview of why it is important to focus on the identified main street. Include the goals of the Main Street Ambassador (i.e., diversifying retail options, reducing vacancies, establishing a future BIA, etc.).

If you are applying for multiple Main Street Ambassador non-repayable contributions, please provide an overview for each main street community.

The Main Street Ambassador will work with staff in the City's Economic Development & Tourism Services division and key community stakeholders (*see next response*) on fulfilling the opportunities listed above and focusing on the following areas:

- Providing hands-on dedicated business advisory support to entrepreneurs by prioritizing service excellence;
- Adopting an inclusive approach and sharing available support to reduce the barriers faced by underrepresented groups and equity-seeking communities;
- Engaging all businesses in the main business areas and gathering insights;
- Diversifying the local economy by recruiting entrepreneurs to fill market gaps;
- Encouraging job creation through the attraction of new businesses from desirable industries and sectors;
- Building up a stronger retail mix while also generating inclusive economic opportunities;
- Coordinating initiatives to sell the main business areas as "open for business" and places to live and invest in;
- Boosting efforts to improve curb appeal and property standards;
- Helping reduce vacancies by contributing to a lead generation program;



- Developing promotional and marketing campaigns to change perceptions of Port Colborne as a place for a young and talented labour force; and
- Investigating the feasibility for creating a co-working space to support start-up companies and new entrepreneurs.

Community Partnerships – identify and provide an overview of roles for any community partnerships that will be leveraged to deliver the program to the Main Street Community(s) identified (i.e., Small Business Enterprise Centre, Business Improvement Areas, CFDC, service clubs, etc.).

The City of Port Colborne plans to leverage its existing community partnerships to successfully deliver the My Main Street program. Support has been received from the Downtown Port Colborne BIA, Main Street BIA and Port Colborne-Wainfleet Chamber of Commerce.

Contacts: Jesse Boles, Chair, jessepocobia@gmail.com
Downtown Port Colborne BIA

Kim Danch, Board Member, mainstreetbia@gmail.com
Main Street BIA

Dolores Fabiano, Executive Director, dolores@niagarafallschamber.com
Port Colborne-Wainfleet Chamber of Commerce

Entrepreneurs looking to start a business in Port Colborne are supported by the business development and advisory services offered through the Niagara Falls Small Business Enterprise Centre (SBEC). Staff at the City, including the Main Street Ambassador, will continue partnering with this SBEC.

Project Management – please provide an overview of how the project will be managed, including:

- Indicate who will have project oversight.
- Indicate who will be responsible for Main Street Ambassador(s) and who will be the administrator.
- Indicate who will be the financial oversight and detail how expenditures will be recorded and maintained.

Bram Cotton, economic development officer at the City of Port Colborne, will provide project oversight, be responsible for the Main Street Ambassador and act as the administrator.



Together with the City of Port Colborne's division of Corporate Services, Bram will be responsible for financial oversight and recording and maintaining details on expenditures. Expenditures will be recorded and maintained through municipal financial management software.

Hiring Strategy – detail the hiring strategy and methodology for recruiting.

If the City of Port Colborne is successful with this application, staff in the City's human resources (HR) department will be advised to focus on equity-seeking members and hire a Main Street Ambassador with a connection to the local community. From there, HR staff will create a job posting and advertise it on the City's website. They may use local job boards and popular sites like Indeed and Glassdoor to distribute the posting further. HR staff will also look to staff in the City's Corporate Communications department to advertise the job on social media and share it with local organizations or associations representing underrepresented population members. The City of Port Colborne enjoys a working relationship with Niagara College and Brock University. Key contacts at both institutions can be leveraged to assist with the recruitment of new graduates or alumni. Different hiring strategies, such as paid advertising and employee referrals, may be implemented to ensure suitable local candidates submit an application.

PROJECT TIMELINE

Anticipated Launch Date of Project:	January 3, 2022
Estimated start date for recruiting Main Street Ambassador(s):	November 15, 2021
Estimated completion date for Main Street Ambassador(s):	December 30, 2022

Funding Overview

Program Delivery Support – identify additional program costs for local delivery up to \$7,500 per Main Street Ambassador Non-Repayable Contribution. This can include computer, cell phone, travel, PPE, hotspot, marketing resources, etc. Add more rows as required.

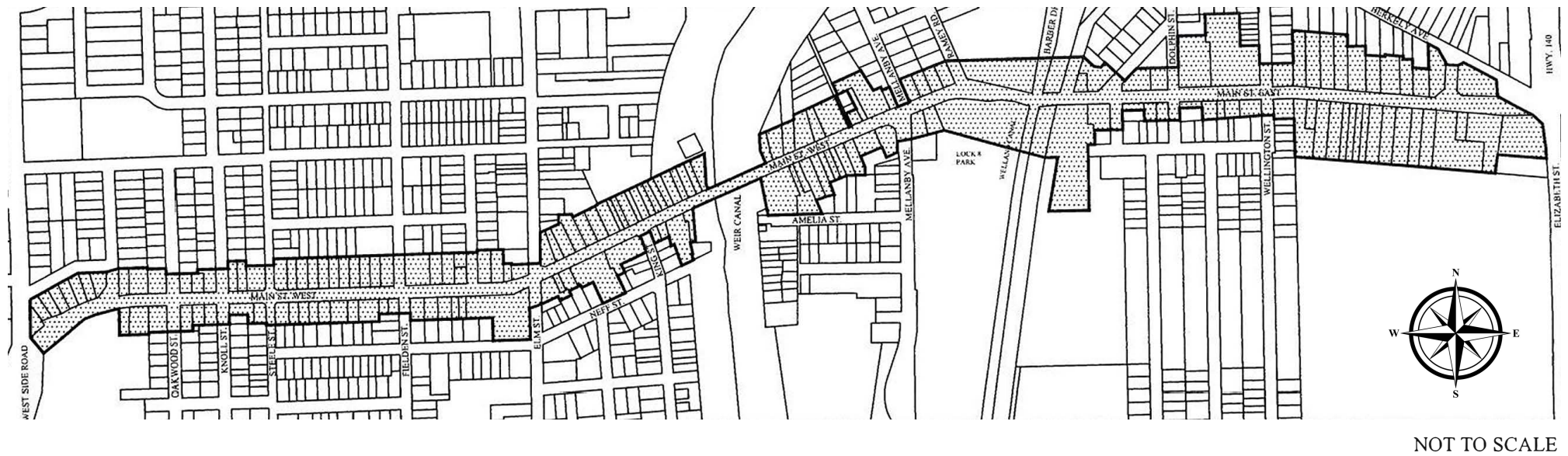
Eligible Area	# of Businesses	Type of Planned Expenditures	X \$7,500
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Downtown & Main Street	100	Laptop, cell phone, travel, marketing resources and delivery expenses	\$7,500		
		Total	\$ 7,500		
Main Street Ambassador Salary – identify the salaries for each Main Street Ambassador. Add more rows as required.					
Eligible Area	Pay Rate Per Hour	Months applied to program	Total Salary	Partner Contribution:	Salary Cost Charged to Program (up to \$50,000)
Downtown & Main Street	\$27.50	12	\$50,050 (Gross) \$39,306 (Net)	\$50	\$50,000
	\$		\$	\$	\$
Total				\$50	\$50,000
Partner Resources / Matching / In-Kind Funds					
Staffing Costs (Main Street Ambassador Staffing)				\$4,300	\$ x \$50,000
Other Staffing Costs (Support Staff, Additional Partner Staff, etc.)				\$8,000	NA
Program Delivery Support				\$2,200	\$ x \$7,500
Total				\$14,500	\$57,500



PORT COLBORNE MAIN STREET BUSINESS IMPROVEMENT AREA



The Corporation of the City of Port Colborne

By-Law No. _____

Being a by-law to adopt, ratify and confirm
the proceedings of the Council of The
Corporation of the City of Port Colborne at
its Regular Meeting of December 13, 2021

Whereas Section 5(1) of the *Municipal Act, 2001*, provides that the powers of a municipality shall be exercised by its council; and

Whereas Section 5(3) of the *Municipal Act, 2001*, provides that a municipal power, including a municipality's capacity rights, powers and privileges under section 9, shall be exercised by by-law unless the municipality is specifically authorized to do otherwise; and

Whereas it is deemed expedient that the proceedings of the Council of The Corporation of the City of Port Colborne be confirmed and adopted by by-law;

Now therefore the Council of The Corporation of the City of Port Colborne enacts as follows:

1. Every action of the Council of The Corporation of the City of Port Colborne taken at its Regular Meeting of December 13, 2021 upon which a vote was taken and passed whether a resolution, recommendations, adoption by reference, or other means, is hereby enacted as a by-law of the City to take effect upon the passing hereof; and further
2. That the Mayor and Clerk are authorized to execute any documents required on behalf of the City and affix the corporate seal of the City and the Mayor and Clerk, and such other persons as the action directs, are authorized and directed to take the necessary steps to implement the action.

Enacted and passed this 13th day of December, 2021.

William C. Steele
Mayor

Amber LaPointe
City Clerk