

Agenda

Lake Huron Primary Water Supply System

Joint Board of Management

1st Meeting of the Lake Huron Primary Water Supply System Joint Board of Management

December 7, 2023, 12:30 PM

Committee Room #5

The City of London is situated on the traditional lands of the Anishinaabek (AUh-nish-in-ah-bek), Haudenosaunee (Ho-den-no-show-nee), Lūnaapéewak (Len-ah-pay-wuk) and Attawandaron (Add-a-won-da-run).

We honour and respect the history, languages and culture of the diverse Indigenous people who call this territory home. The City of London is currently home to many First Nations, Métis and Inuit today.

As representatives of the people of the City of London, we are grateful to have the opportunity to work and live in this territory.

Pages

1. Call to Order

1.1 Disclosures of Pecuniary Interest

2. Adoption of Minutes

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5. Deferred Matters/Additional Business

6. Upcoming Meeting Dates

March 7, 2024

June 6, 2024

October 3, 2024

December 5, 2023

7. Confidential

7.1 Litigation/Potential Litigation/Matters Before Administrative Tribunals

A matter pertaining to litigation or potential litigation, including matters before administrative tribunals, affecting the municipality or local board with respect to matters that may result in potential litigation by the Lake Huron Primary Water Supply System.

8. Adjournment

Lake Huron Primary Water Supply System Report

4th Meeting of the Lake Huron Primary Water Supply System Joint Board of Management
October 13, 2023

Attendance: Meeting held on Friday, October 13, 2023, commencing at 10:30 AM.

PRESENT: A. DeViet (Chair); M. Dietrich, S. Franke, C. Grantham, S. Hillier, J. Keogh, S. Lehman, P. Van Meerbergen, P. Walden, J. Wilcox and G. Willsie and J. Bunn (Committee Clerk)

ALSO PRESENT: B. Haklander, A. Henry and E. Skalski

1. Call to Order

1.1 Disclosures of Pecuniary Interest

That it BE NOTED that no pecuniary interests were disclosed.

2. Adoption of Minutes

2.1 Minutes of the 3rd Meeting held on Thursday, June 1, 2023

LEHMAN AND WALDEN

That the minutes of the 3rd meeting of the Lake Huron Primary Water Supply System Joint Board of Management, from the meeting held on June 1, 2023, **BE NOTED AND FILED. CARRIED**

Motion Passed

3. Consent Items

3.1 Quarterly Compliance Report (2nd Quarter 2023: April - June)

VAN MEERBERGEN AND FRANKE

That, on the recommendation of the Chief Administrative Officer, the report dated October 5, 2023, with respect to the general, regulatory and contractual obligations of the Lake Huron Primary Water Supply System, for April to June 2023, **BE RECEIVED. CARRIED**

Motion Passed

3.2 Environmental Management System and Quality Management System

VAN MEERBERGEN AND FRANKE

That, on the recommendation of the Chief Administrative Officer, the report dated October 5, 2023, with respect to the Environmental Management System and the Quality Management System, **BE RECEIVED. CARRIED**

Motion Passed

3.3 Quarterly Operating Financial Status - 2nd Quarter 2023

VAN MEERBERGEN AND FRANKE

That, on the recommendation of the Chief Administrative Officer, the report dated October 5, 2023, with respect to the Quarterly Operating Financial Status of the Lake Huron Primary Water Supply System for the 2nd Quarter of 2023, **BE RECEIVED. CARRIED**

Motion Passed

3.4 Capital Status Report

VAN MEERBERGEN AND FRANKE

That, on the recommendation of the Chief Administrative Officer, the following actions be taken with respect to the report, dated October 5, 2023, related to capital projects:

- a) projects LH1020, Financial Plan Update, LH1268, Obsolete Equipment Removal, LH2043, Construction Site Trailer Pad and LH2047, Electric Vehicle Charging Stations, **BE CLOSED**, with surplus funding in the approximate amount of \$59,596 being released to the Reserve Funds;
- b) projects LH1255, Crop Yield Monitoring and LH1265, RMF Tank Repairs, **BE CLOSED**, with additional funding in the approximate amount of \$8,367 being drawn from the Reserve Funds; and,
- c) the above-noted report **BE RECEIVED. CARRIED**

Motion Passed

4. Items for Discussion

4.1 2024 Operating and Capital Budgets

GRANTHAM AND FRANKE

That, on the recommendation of the Chief Administrative Officer, the following actions be taken with respect to the report, dated October 5, 2023, related to the Lake Huron Water Supply System 2024 Operating and Capital Budgets:

- a) the 2024 Operating Budget **BE APPROVED**, in the total amount of \$27,561,000, as appended to the above-noted report;
 - b) the 2024 Capital Budget **BE APPROVED**, in the total amount of \$11,371,000, as appended to the above-noted report;
 - c) the 2025 to 2033 Capital Forecast **BE RECEIVED**;
 - d) the 2024 rate for water, of \$0.5454 per cubic meter, **BE APPROVED**; and,
 - e) the 2022 to 2028 Flow and Financial Analysis **BE RECEIVED**.
- CARRIED**

Motion Passed

4.2 Huron Water Treatment Plant - Administration Building Extension and Site Redevelopment

WILCOX AND GRANTHAM

That, on the recommendation of the Chief Administrative Officer, the following actions be taken with respect to the report, dated October 5, 2023, related to the Huron Water Treatment Plant Administration Building Extension and Site Redevelopment:

- a) the recommendation to pursue Leadership in Energy and Environmental Design (LEED) silver certification of the overall building addition and renovation project and striving to meet the Zero-Carbon Building standard, where feasible, **BE ENDORSED**; and,
 - b) the above-noted staff report and the presentation, as appended to the Agenda, from Stantec, with respect to this matter, **BE RECEIVED**.
- CARRIED**

Motion Passed

4.3 Municipal Drinking Water Licence - Consolidated Financial Information
WALDEN AND FRANKE

That, on the recommendation of the Chief Administrative Officer, the consolidated financial information, for the purposes of the Municipal Drinking Water Licence renewal application, as appended to the report dated October 5, 2023, **BE APPROVED**; it being noted that the above-noted document is based upon the Board approved Financial plan of March 2023 and the approved 2023 capital and operating budgets.
CARRIED

Motion Passed

4.4 Contracted Security Services - Contract Extension
KEOGH AND FRANKE

That, on the recommendation of the Chief Administrative Officer, the two-year contract extension with Paladin Security Group Limited, at the estimated cost of \$296,020 and \$304,959, respectively, **BE APPROVED**.
CARRIED

Motion Passed

5. Deferred Matters/Additional Business

None.

6. Next Meeting Date

December 7, 2023

7. Confidential

WALDEN AND LEHMAN

That the Lake Huron Primary Water Supply System Joint Board of Management convene In Closed Session for the purpose of considering the following:

7.1 Litigation/Potential Litigation/Matters Before Administrative Tribunals

A matter pertaining to litigation or potential litigation, including matters before administrative tribunals, affecting the municipality or local board with respect to

matters that may result in potential litigation by the Lake Huron Primary Water Supply System.

7.2 (ADDED) Litigation/Potential Litigation/Matters Before Administrative Tribunals

A matter pertaining to litigation or potential litigation, including matters before administrative tribunals, affecting the municipality or local board with respect to matters that may result in potential litigation by the Lake Huron Primary Water Supply System.

Motion Passed

The Lake Huron Primary Water Supply System Joint Board of Management convened In Closed Session from 11:29 AM to 11:59 AM.

8. Adjournment

The meeting adjourned at 12:01 PM.

Board of Management Report

Subject: Quarterly Compliance Report (3rd Quarter 2023: July - September)

Overview:

- There were no adverse water quality incidents (AWQI) reported during this quarter.
- There are no new or proposed regulatory changes which might have a significant impact on the regional water system.

Recommendation

That the Board of Management for the Lake Huron Primary Water Supply System **RECEIVE** this report for information.

Background

Pursuant to Board of Management resolution, this Compliance Report is prepared on a quarterly basis to report on general, regulatory, and contractual compliance issues relating to the regional water system. For clarity, the content of this report is presented in two basic areas, namely regulatory and contractual, and does not intend to portray an order of importance or sensitivity nor is it a complete list of all applicable regulatory and contractual obligations.

Discussion

Regulatory Issues

Recent Regulatory Changes: At the time of drafting this report, there were no new regulatory changes for this reporting period which may significantly impact the Lake Huron Primary Water Supply System (LHPWSS).

New Environmental Registry of Ontario (ERO) Postings: At the time of drafting this report, there were no new postings on the ERO that may have a significant impact on the LHPWSS.

Water Quality Quarterly Report: The [Water Quality Quarterly Report](#) for the period of July 1 – September 30, 2023, was completed by the operating authority, and is posted on the Water Systems' website for public information.

Note: In order to better comply with the *Accessibility for Ontarians with Disabilities Act, 2005*, the detailed tables of water quality test results which were previously appended to this Report have been removed. The full list of test results of drinking water quality parameters is posted on the water system’s website and available in print at the Board’s Administration Office in London upon request. In addition, detailed water quality information is also published within the water system’s Annual Report required by O.Reg. 170/03 under the *Safe Drinking Water Act*.

Adverse Water Quality Incidents (AWQIs): There were no AWQI reported by the operating authority or adverse laboratory results reported by the third-party accredited laboratory during this quarter.

Compliance Inspections: There were no compliance inspections conducted during the reporting period. The annual inspection by the Ministry of the Environment, Conservation and Parks (MECP) began on October 23, 2023. The final inspection report will be the subject of a future report to the Board.

Contractual Issues

ARTICLE 3, “Operation and Maintenance of the Facilities – General”: Board staff informally meets with OCWA on a monthly basis to discuss operations and maintenance related issues, and formally on a quarterly basis to review contractual performance. The 2023 third quarter Contract Report was received from OCWA on October 27, 2023, and was discussed at the quarterly administration meeting between Board staff and OCWA on November 9, 2023. Copies of the monthly Operations and Maintenance Reports, and quarterly Contract Reports are available at the Board’s Administration Office in London upon request.

Conclusion

Board staff will continue to review new and proposed legislation for potential impacts to the LHPWSS. Board staff will continue to meet with the operating authority on a regular basis to discuss regulatory and contractual compliance issues, and ensure any non-compliances are addressed in a timely manner.

Prepared by: Erin McLeod, CET
Quality Assurance & Compliance Manager

Submitted by: Andrew J. Henry, P.Eng.
Director, Regional Water

Recommended by: Kelly Scherr, P.Eng., MBA, FEC
Chief Administrative Officer

Board of Management Report

Subject: Environmental Management System and Quality Management System

Overview:

- This report provides a summary of Environmental Management System (EMS) and Quality Management System (QMS) activities that took place during the third quarter of 2023 (Q3).
- A Management Review meeting was held on September 14, 2023. The meeting minutes are attached to this report as [Appendix A](#).
- An internal Environmental Compliance Audit was conducted by Acclaims Environmental Inc. on August 10, 11 and 16, 2023. The Internal Audit Summary Report is included as [Appendix B](#).
- An external Drinking Water Quality Management Standard (DWQMS) Desktop Surveillance Audit was conducted by Intertek - SAI Global Limited on September 18, 2023. The DWQMS Desktop Surveillance Audit Summary Report is included as [Appendix C](#).
- An external ISO 14001:2015 Recertification Audit was conducted by Intertek - SAI Global Limited on October 18 & 26, 2023. To date, a final report has not been issued.

Recommendation

That the Board of Management for the Lake Huron Primary Water Supply System **RECEIVE** this report for information.

Background

Environmental Management System (EMS)

The Lake Huron Primary Water Supply System (LHPWSS) has an Environmental Management System (EMS) which has been registered to the ISO 14001 standard since 2003. The LHPWSS underwent a three-year registration audit in October 2023 and was recommended for registration to the ISO 14001:2015 standard for a three-year period.

The continued utilization and registration of the EMS to the ISO 14001 standard is a requirement of the Service Agreement with Ontario Clean Water Agency (OCWA), the contracted Operating Authority for the LHPWSS.

Quality Management System (QMS)

The existing EMS has been integrated with a QMS that meets the requirements of the province's Drinking Water Quality Management Standard, 2017 (DWQMS). The combined EMS/QMS is maintained by the contracted Operating Authority.

The *Safe Drinking Water Act, 2002* (SDWA) and the water system's Municipal Drinking Water License (MDWL) require that an accredited Operating Authority be in operational charge of the drinking water system. To become accredited, the Operating Authority must implement and maintain a QMS, which includes an Operational Plan meeting the requirements of the DWQMS and must undergo yearly external audits.

OCWA successfully received full scope DWQMS re-accreditation in October 2022 and is currently accredited for the three-year period ending in 2025.

Discussion

Management Review

The documented EMS/QMS and its performance requires Management Review by Top Management a minimum of once every calendar year to ensure that the Board's management team and the Operating Authority stay informed of environmental and quality related issues. Items discussed at the Management Review meetings include, but are not limited to, water quality test results, environmental and quality performance, legislative changes, identified non-conformances, corrective and preventive actions, staff suggestions, changing circumstances and business strategies, and resource requirements. Corrective and preventive actions include not only those to address non-conformance issues and opportunities for improvement identified as part of internal and external audits, but also non-compliance issues identified by the Ministry of the Environment, Conservation and Parks (MECP), suggestions from staff, and opportunities for improvement identified during the Management Review process.

To carry out more effective Management Review meetings, the Board of Management's administration has opted to conduct shorter meetings at more frequent intervals. Although each required Management Review input may not be covered at every meeting, over the course of the year all required inputs are reviewed at least once. Management Review meetings are held in a combined format for both the LHPWSS and the Elgin Area Primary Water Supply System (EAPWSS).

A Management Review meeting was held on September 14, 2023. The meeting minutes are included as [Appendix A](#) for the information of the Board of Management.

Internal Audits

Pursuant to the international ISO 14001 standard and the provincial DWQMS, periodic “internal” audits are performed by the Board of Management’s administration to ensure continued compliance with legislated, contractual, and other requirements, as well as conformance with the ISO 14001 standard and DWQMS. Internal audits also ensure that the ongoing operation of the drinking water system conforms to the EMS and QMS as implemented. As required by the standards, internal audits are performed a minimum of once every calendar year.

An internal Environmental Compliance Audit was conducted by Acclaims Environmental Inc. on August 10, 11 and 16, 2023. There were three (3) non-conformances and six (6) opportunities for improvement identified. The Internal Audit Summary Report is included as [Appendix B](#) for the information of the Board of Management.

External Audits

Annual surveillance audits (third-party external audits) are conducted for both the EMS and QMS, with a recertification audit taking place every third year. The external registrar for both the EMS and QMS is currently Intertek - SAI Global. External audits review all aspects of the EMS or QMS, including the scope and results of internal audits, subsequent management reviews, and corrective action processes.

An external Drinking Water Quality Management Standard (DWQMS) Desktop Surveillance Audit was conducted by Intertek - SAI Global Limited on September 18, 2023. There were no non-conformances and one (1) opportunity for improvement identified. The DWQMS Desktop Surveillance Audit Summary Report is included as [Appendix C](#) for the information of the Board of Management.

An external ISO Reccreditation Audit was conducted by Intertek - SAI Global Limited on October 18 & 26, 2023. To date, a final report has not been issued. These findings will be outlined in the next Board of Management report.

Corrective and Preventive Actions

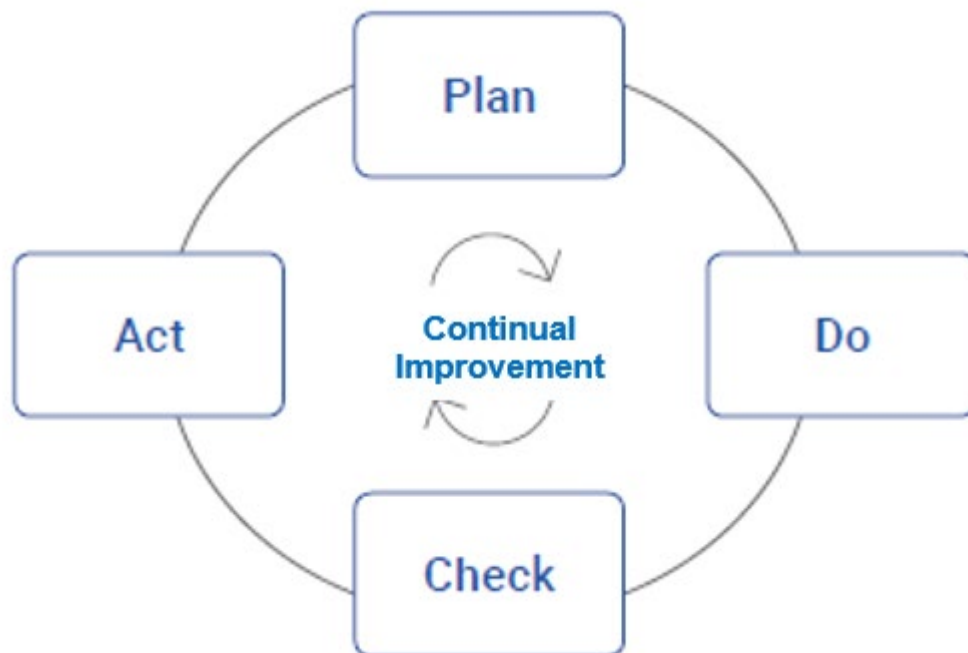
For the EMS/QMS to be effective on an on-going basis, an organization must have a systematic method for identifying actual and potential non-conformities, making corrections, and undertaking corrective and preventive actions, preferably identifying, and preventing problems before they occur. The Internal Audit process and Management Review are the two main drivers for proactively identifying potential problems, opportunities for improvement and for the implementation of corrective actions for the LHPWSS. Preventive actions may originate from identified opportunities for improvement as part of an audit, but also staff suggestions and discussions with management.

It is important to note that action items should not be construed as compliance failures, but rather an action to be undertaken which will improve the LHPWSS's overall performance.

Action items are the result of the "Plan-Do-Check-Act" continual improvement process. The identification of action items is a critical component of continual improvement and an essential element of management systems. The identification of action items should be seen as a positive element, as this drives continual improvement.

A key concept of the Plan-Do-Check-Act continual improvement process (Figure 1) is that it does not require nor expect 100% conformance but promotes an environment of continual improvement by identifying shortfalls, implementing corrective and preventive measures, and setting objectives and targets for improvement.

Figure 1: Plan-Do-Check-Act Continual Improvement Process



The following summarizes the eleven (11) new approved action items that have been added to the EMS/QMS action item tracking system during Q3:

- Nine (9) new action items were added as a result of the internal Compliance Audit conducted by Acclaims Environmental Inc. on August 10, 11 and 16, 2023.
- Two (2) new action items were added as a result of the Management of Change Review meeting on August 22, 2023 (water supply to Zurich) and August 29, 2023 (Chamber 63 Access Culvert).

As of November 10, 2023, there are currently thirty-six (36) open action items in the LHPWSS tracking system. All action items are prioritized and addressed using a risk-based approach, and deadlines established given reasonable timeframes and resources that are available. Board of Management staff are pleased with the performance of the corrective and preventive action process and have no concerns with the number of open action items.

Conclusion

The Internal Audits and frequent Management Review meetings continue to effectively identify and manage system deficiencies. The EMS/QMS for the LHPWSS continues to be suitable, adequate, and effective. Activities by OCWA continue to address the need for change, and the management systems are being revised and refined as required.

Prepared by: Jennifer Levitt
Compliance Coordinator

Erin McLeod, CET
Quality Assurance & Compliance Manager

Submitted by: Andrew J. Henry, P.Eng.
Director, Regional Water

Recommended by: Kelly Scherr, P.Eng., MBA, FEC
Chief Administrative Officer

Attachments: [Appendix A](#) – Management Review Meeting Minutes (September 14, 2023)
[Appendix B](#) – Compliance Audit Summary Report (dated August 28, 2023)
[Appendix C](#) – DWQMS Internal Audit Summary Report (September 19, 2023)

Appendix A: Management Review Meeting Minutes (September 14, 2023)

Lake Huron & Elgin Area Primary Water Supply Systems EMS/QMS Management Review

Date: September 14, 2023

Time: 1:00pm

Location: Virtual – Microsoft Teams

Attendees: Andrew Henry (RWS), Erin McLeod (RWS), Jennifer Levitt (RWS), Allison McCann (OCWA), Matt Bender (OCWA), Randy Lieber (OCWA), Greg Henderson (OCWA), Denny Rodrigues (OCWA)

Regrets: -

N.B.: Management Review meetings are held in a combined format for both the Lake Huron Primary Water Supply System (LHPWSS) and the Elgin Area Primary Water Supply System (EAPWSS).

-----Meeting Notes-----

1. Review and Approval of Previous Meeting Minutes (June 07, 2023)

The minutes from the previous meeting (June 07, 2023) are posted to SharePoint. Minutes circulated to comment. No concerns noted and documents are approved.

2. EMS Monitoring and Measurement Results (EAPWSS & LHPWSS)

- 2021 Energy Reporting**

This was reported in June for the 2021 calendar year. In 2021, the reporting software was changed resulting in minor reporting differences in comparison to previous years.

Huron WTP - Natural gas consumption and Green House Gas (GHG) emissions were lower in 2021 compared to previous year.

Elgin WTP - Natural gas consumption and GHG emissions were higher compared to previous year.

The five-year GHG trends were discussed.

3. QMS Internal Audit Report (EAPWSS) – June 8-9, 2023

Positives:

- QMS Representative is very competent on the role and responsibilities.
- Staff interviewed were engaged, knowledgeable, and provided thorough explanations about the work they were doing.
- Effective communication occurs between operators and maintenance staff which allows for a transfer of knowledge.
- All calibration records / training records requested were readily available and / or scheduled as required.
- Continual improvement projects were underway (e.g., filter #2 repairs, security camera upgrades, roofing repairs).
- Best Management Practices were developed as a result of a chlorine gas leak at EMPS.

No Non-Conformances were noted as part of the June QMS Internal Audit Report.

Eleven (11) Opportunity for Improvements (OFI) were discussed, and action items have been assigned. These OFIs have been completed and are waiting for verification.

For detailed information see the agenda package.

4. QMS Internal Audit Report (LHPWSS) – June 22-23, 2023

Positives:

- QMS Representative is very competent on the role and responsibilities.
- Staff interviewed were engaged, knowledgeable, and provided thorough explanations about the work they were doing.
- Effective communication occurs between operators and maintenance staff, and Team Leads and Senior staff which allows for a transfer of knowledge. Collaboration is evident and ongoing.
- All calibration records / training records requested were readily available and / or scheduled as required.
- Continual improvement projects were underway throughout LHPWSS (e.g., WTP - high lift pump replacement, WTP - backwash program, McGillivray PS - electrical and HVAC upgrades, security camera upgrades, water softening for caustic system, ceiling tiles and lighting, sampling point relocations for safety purposes).

No Non-Conformances were noted as part of the June QMS Internal Audit Report.

Fourteen (14) OFI's were discussed, and action items have been assigned.

For detailed information see the agenda package.

5. QMS External Audit Report (EAPWSS) – Sep. 6, 2023

No findings as part of the Intertek - SAI Global surveillance audit.

6. Env. Compliance Internal Audit Report (EAPWSS) – Aug. 15, 2023

Commitment:

- Staff interviewed were knowledgeable about their processes and programs and their roles' impacts on fulfilling compliance obligations.
- All opportunities and non-conformities identified from agency inspections have been addressed.

Culture of continual improvement and pollution prevention:

- Consistently throughout the audit, improvements were noted with regards to fulfilling intended outcomes of compliance obligations and prevention of pollution.

Four (4) Non-Conformities and six (6) OFI's were discussed, and action items have been assigned. Root Cause Analysis have been completed for the Non-Conformities.

For detailed information see the agenda package.

7. Env. Compliance Internal Audit Report (LHPWSS) – Aug. 16, 2023

Commitment:

- Staff interviewed were knowledgeable about their processes and programs and their roles' impacts on fulfilling compliance obligations.
- All opportunities and non-conformities identified from agency inspections have been addressed.

Culture of continual improvement and pollution prevention:

- Consistently throughout the audit, improvements were noted with regards to fulfilling intended outcomes of compliance obligations and prevention of pollution.

Three (3) Non-Conformities and six (6) OFI's were discussed, and action items have been assigned. Root Cause Analysis have been completed for the Non-Conformities.

For detailed information see the agenda package.

8. Changes In:

a) External and internal issues relevant to the EMS

External and Internal issues for EAPWSS and LHPWSS were reviewed and discussed as part of the Management Review meeting. Discussed items included the following:

- Service Agreement;
- Staff turnover and employee retention;
- Sustainability and cost controls;
- Aging infrastructure;
- Water demand;
- Customer Levels of service;
- Change in government (municipal election);
- Resource inputs marketplace (chemical costs);
- Senior government incentives and funding (in relation to Oneida pipeline);
- Public engagement (tours); and
- Supply chain interruptions/delays.

See agenda package for further details.

b) Needs and expectations of interested parties, including compliance obligations

Reviewed and discussed as part of the Management Review meeting. See table within Agenda package.

c) Significant Environmental Impacts

Changes to EMS Aspects Assessment (EAPWSS & LHPWSS):

New environmental aspects were added:

- extreme weather events (ice storm, tornado, heat wave, deep freeze)
- security (vandalism, terrorism, cybersecurity)
- pest control (i.e., pesticides application)

General:

Electricity consumption, chemical consumption, process water and non-revenue water continue to be tracked as part of the EMS objectives and targets or general environmental key performance indicators (KPIs).

High lift pump upgrade projects: 2023 Ontario Water Works Association (OWWA) Water and Energy Efficiency Award to AECOM. As per the award application, the high lift

pump replacements at the Lake Huron and Elgin Area Water Treatment Plants have resulted in significant energy savings, estimated to be 2,750 MWh every year. (2000 MWh at Huron WTP, 750 MWh at Elgin WTP).

d) Risks and Opportunities

Capital Project Risk (LHPWSS) - Coagulation upgrade at Huron WTP has experienced further delays which poses a water quality risk.

Capital Projects Opportunities (EAPWSS & LHPWSS) - Major capital projects recently completed or currently underway include:

- (LHPWSS) - New administration building is currently in design. LEED silver certification and Zero Carbon Building design certification are being pursued.
- (EAPWSS & LHPWSS) - The Water Quality Facility Plan (5-year update) is currently in progress. Process optimization improvements will be recommended which provides chemical optimization opportunities in future.
- (LHPWSS) - Coagulation upgrade project for process optimization including better control of chemical dosing.
- (EAPWSS) - UV Replacement provides opportunity to replace aging UV reactors with newer more energy efficient technology, however the new reactors will be bigger.
- (LHPWSS) - McGillivray Pumping Station HVAC and electrical upgrade provides an opportunity to replace aging equipment with more energy efficient technology.
- (LHPWSS) - Oneida Pipeline project provides improved water quality benefits for the region.
- (EAPWSS & LHPWSS) - Electric vehicle charging stations for future emissions reductions.
- (EAPWSS) - Backwash Pump Upgrade may provide some energy efficiency.
- Many other mechanical, civil, and electrical upgrades are planned or underway.

General Opportunities (EAPWSS & LHPWSS)

- OCWA is looking into creating a contractor orientation video for health & safety and EMS/QMS, to streamline the orientation process.
- RWS is looking at software to help manage visitors and contractors on-site. There are potential benefits for security, efficiency, and emergency management.
- Ontario Water Works Association (OWWA) has released a greenhouse gas (GHG) Inventory Tool which may have benefits for understanding and tracking the sources of emissions and the most effective ways to reduce them.
- RWS will be implementing communications guidelines/standards to address best practices for hybrid working environments.

- Incident Management System (IMS) training is scheduled for October 2023. The training is the provincial IMS-200 course but will be modified to include examples and scenarios that are regional water specific.
- Oneida Pipeline Project – Oneida considering appointing members to the Board of Management. This will require a bylaw revision. This may impact our interested parties information.
- All bylaws and policies are being reviewed for each of the Boards. This may result in changes to EMS/QMS reporting requirements.
- Contractor management program to be implemented and this is expected to impact EMS/QMS in relation to qualification of contractors. The main focus will be health & safety.
- Software to manage Safety Data Sheets (SDS) paperwork to create efficiencies and have opportunity for remote access. RWS would also have access.

Within City of London, Maple Leaf Foods is now online, with increased demands in future. This will increase water supply demands. We do not have water projections at this time.

Adelaide-Metcalf may become a future customer / member.

General Risks (EAPWSS & LHPWSS)

- RWS has been notified that there are suspect abandoned oil/gas wells on the Elgin WTP property and in proximity to the Huron pipeline. Some of these wells were noted as 'abandoned' but it is unclear if they were 'decommissioned'. Further investigation required. . Furthermore, there are possible environmental monitoring wells (at Huron WTP).
- OCWA Procurement – new rules, most came into effect January 01, 2023. OCWA will need to determine how the 'Building Ontario Businesses Initiative' will affect supplies. We may see further supply delays.

9. Best Management Practices (including MECP website review)

No updates related to BMPs on the MECP website. It is noted that internal BMPs are addressed via our Continual Improvement Processes.

10. Corrective Action Forms

- LHPWSS SCADA – Daylight Savings Time (DST) (March 12, 2023)
- EAPWSS Spill Response – Surge Tanks Overflow (June 16, 2023)

These items have been reviewed/documented, and any action items have been added to the tracking system.

11. Management of Change:

- LHPWSS Water Supply to Zurich
- LHPWSS Chamber 63 Access Culvert

These items have been reviewed/documented, and any action items have been added to the tracking system.

12. Emergency Testing Records:

- LHPWSS Power Failure (June 2, 2023)
- EAPWSS & LHPWSS Extreme Weather Event (July 27, 2023)
- EAPWSS Spill Response (June 16, 2023)

These items have been reviewed/documented, and any action items have been added to the tracking system.

13. Incidents of Adverse Drinking Water Tests (EAPWSS)

Last discussed this in September 2022 and there have been no Adverse Drinking Water Incidents reported to date.

These items have been reviewed/documented, and any action items have been added to the tracking system.

End of Meeting

Appendix B: Compliance Audit Summary Report (dated August 28, 2023)

Audit Purpose:

The purpose of the audit was to assess fulfillment of compliance obligations with applicable legislative requirements (e.g., regulations, bylaws). Internal compliance audits promote continual improvement in the LHPWSS.

Non-conformances and opportunities for improvement are listed below.

Auditor Qualifications:

- Brigitte Roth (Acclaims Environmental Inc.) is a certified auditor with the Environmental Careers Organization of Canada (ECO Canada); and
- Connie Lum (Envirolum Consulting Inc.) is a certified auditor with the ECO Canada.

Methodology:

The audit was conducted at the EAPWSS facilities which are operated by Ontario Clean Water Agency (OCWA), the contracted Operating Authority. The audit reviewed the planned processes and programs to evaluate how well legislative requirements are integrated into the EAPWSS and to ensure effective fulfillment of compliance obligations. Process audits conducted check the adequacy and effectiveness of the process controls established by procedures, work instructions, training and process specifications. This audit focused on the period between August 17, 2020 to August 16, 2023.

Note: The internal audit was conducted through a review of a sampling of documents, limited interviews, and observations by the auditors to demonstrate conformance with applicable legislation. The review and internal audit should not be construed as a complete and comprehensive review of all aspects/risks and all documents.

Findings:

The following is a summary of the audit findings, including non-conformances and opportunities for improvement.

Definitions:

- A non-conformance (NC) is a non-fulfilment of a requirement.
- An Opportunity for Improvement (OFI) describes a requirement that can be more effectively addressed.

- An observation is a comment or remark provided to share the conditions found on the day of the audit, typically related to an “out of scope” finding.

Areas Visited:

- Komoka-Mt. Brydges Pumping Station (KMBPS), 13964 Medway Road, Middlesex Centre
- Exeter Hensall Pumping Station (EHPS), 39590 Huron Street, South Huron
- Lake Huron Water Treatment Plant (WTP), 71155 Bluewater Highway, South Huron

Note: The McGillivray Pumping Station at 4064 McGillivray Drive, North Middlesex could not be visited during the audit due to construction activities. A supplementary audit is underway. If NC’s and/or OFI’s are identified, a summary letter report will be outlined in the next Board of Management Report.

Interviews Conducted:

- Allison McCann, Safety, Process and Compliance (SPC) Manager, QMS Representative - OCWA
- Erin McLeod, Quality Assurance & Compliance Manager - Regional Water Supply
- Jennifer Levitt, Compliance Coordinator - Regional Water Supply

Summary of Findings

Positive Findings

Commitment:

- Staff interviewed were knowledgeable about their processes and programs and their roles’ impacts on fulfilling compliance obligations.
- All opportunities and non-conformities identified from agency inspections have been addressed.

Culture of Continual Improvement:

- Consistently throughout the audit, improvements were noted with regards to fulfilling intended outcomes of compliance obligations and prevention of pollution.

Non-Conformances (NCs)

Three (3) NCs were identified as part of the internal audit and are outlined below.

NC#1: Issuance and Contents of a Training Certificate - Transportation of Dangerous Goods Regulations Part 6 Training s.6.3(1) requires that TDG training certificates include specific information (e.g. name and address of the place of business, employee's name, expiry date, aspects of handling, offering for transport or transporting dangerous goods for which the employee is trained...) and s.6.3(3) the training certificate must be signed by the employee and employer.

- TDG Training Certificates do not include the required information and are not signed by the employee and employer.

NC#2: National Pollutant Release Inventory - The Canadian Environmental Protection Act requires that organizations report through the National Pollutant Release Inventory on the substances manufactured, processed, or otherwise used and confirming whether reporting thresholds are met.

- A product / chemical inventory for each calendar year, including their annual quantities used and product concentrations, is required to carry out this assessment.

NC#3: Point of Impingement Limits - The DWWP's section 5.5.1 requires that: "For equipment other than emergency generators, the maximum concentration of any compound of concern at a point of impingement shall not exceed the corresponding point of impingement limit..."

- There is no record showing air sources meet the point of impingement limits.

Opportunities for Improvement (OFIs)

Six (6) OFIs were identified as part of the internal audit and are outlined below.

OFI#1: Means of Containment (TDGA) - An opportunity is identified to confirm whether Brenntag (chlorine gas supplier) periodically verifies the safety and integrity of its chlorine tonner containers ("means of containment").

OFI#2: PCB Regulations (SOR/2008-273) - Test reports related to transformers and other equipment do not report the level of PCB's. Consider requesting the contractor to include references to PCB's in their report.

OFI#3: Spill Prevention and Contingency Plans (O. Reg. 224/07) - Consider comparing the existing spill prevention and contingency plans against the O. OFI#1: Reg. 224/07 requirements for best practices in spill prevention and contingency planning.

OFI#4: Chlorine Tonner Racks - An opportunity is identified to confirm the structural integrity of the chlorine gas tonners racks (rusted legs).

OFI#5: Bulk Chemical Unloading Area - Consider reviewing the changes implemented in the bulk chemical unloading area and the adequacy of the containment system in place.

OFI#6: Use of Pest Control Products (Pesticides Act) - Consider verifying the following:

- pesticides used on-site are approved for use in Ontario, and
- the Ontario Exterminator Licence and Integrated Pest Management Certificate for the contractor hired to apply pest control products.

Appendix C: DWQMS Desktop Surveillance Audit Summary Report (dated September 19, 2023)

Audit Purpose:

The purpose of the 12 Month DWQMS Desktop Surveillance Audit was to verify conformance with the Ontario Drinking Water Quality Management Standard (DWQMS) Version 2.0 for the EAPWSS in relation to the renewal of the certification.

Non-conformances and opportunities for improvement are listed below.

Auditor Qualifications:

The audit was conducted by Intertek - SAI Global Management Systems Auditor, Sandra Tavares, B.Sc., M.Sc., EP(EMSLA), EP-Sustainability.

Methodology:

The desktop surveillance audit was conducted in accordance with the systems audit procedure as it applies to Full Scope accreditation. The objective of the audit was to determine whether the drinking water Quality Management System (QMS) of the subject system conforms to the requirements of the Ontario Ministry of the Environment, Conservation & Parks (MECP) DWQMS Version 2.0.

Note: The audit was conducted through a review of a sampling of documents, limited interviews and observations by the auditor to demonstrate conformance with the DWQMS. The review and audit should not be construed as a complete and comprehensive review of all aspects/risks and all documents.

Findings:

The following is a summary of the audit findings, including non-conformances and opportunities for improvement.

Definitions:

- A non-conformance (NC) is a non-fulfilment of a requirement.
- An opportunity for improvement (OFI) describes a requirement that can be more effectively addressed.

Areas Visited:

- Lake Huron Water Treatment Plant (WTP), 71155 Bluewater Highway, South Huron

- Exeter Hensall Pumping Station (EHPS), 39590 Huron Street, South Huron
- McGillivray Pumping Station, 4064 McGillivray Drive, North Middlesex
- Arva Terminal Reservoir, 13964 Medway Road, Middlesex Centre
- Komoka-Mt. Brydges Pumping Station (KMBPS), 13964 Medway Road, Middlesex Centre

Interviews Conducted:

- Matt Bender - Regional Manager, OCWA
- Denny Rodrigues - Senior Operations Manager, Overall Responsible Operator – OCWA
- Allison McCann - Safety, Process and Compliance (SPC) Manager, QMS Representative, OCWA
- Chris Clarke - Team Lead, Operations and Compliance, OCWA
- Nikki Kaur - Operator, OCWA
- Erin McLeod - Quality Assurance & Compliance Manager, RWS
- Jennifer Levitt - Compliance Coordinator, RWS

Summary of Findings

- The management system remains effectively implemented and meets the requirements of the standard relative to the scope of certification; therefore, a recommendation for continued certification will be submitted.

Non-Conformances (NCs)

No con-conformances were noted during the internal audit.

Opportunities for Improvement (OFIs)

OFI#1 - Element 5 - Document and Records Control - There is an opportunity to ensure document control (e.g., LH-ADMIN-1200 header identifies v.12.0 but SharePoint Version History identifies V13.0).

Board of Management Report

Subject: Quarterly Operating Financial Status – 3rd Quarter 2023

Overview:

- This report shows the current fiscal year's 3rd quarter in comparison to its Budgeted amount and the previous year's same time period.

Recommendation

That the Board of Management for the Lake Huron Water Supply System receive this report regarding the Operating Financial Status Report for the period of July 1 to September 30, 2023, noting that this report is unaudited and subject to adjustments including the preparation of the financial statements and completion of the annual audit.

Previous and Related Reports

June 2, 2023 Quarterly Operating Financial Status – 1st Quarter 2023

October 5, 2023 Quarterly Operating Financial Status – 2nd Quarter 2023

Background

At the request of the Board of Management, a Financial Status Report is provided on a quarterly basis for information. The financial status provides a high-level overview of incurred expenditures and revenues on a cash-flow basis and is compared to the approved operating budget of the water supply system. All expenditures and revenues provided in this Financial Status Report are unaudited and may include accrued and/or unaccrued expenses from a previous or future fiscal year.

A high-level summary of incurred expenses and revenues for the water supply system is attached to this report as Appendix A for the third quarter 2023 (July 1 to September 30) as well as a comparative accumulation of expensed for the year to date.

Note: The reported expenditures and revenues may be subject to adjustments, including but not limited to corrections and entries required for the preparation of financial statements and completion of the annual audit.

Discussion

For the information and reference of the Board, the following highlights of the attached summary provides a brief explanation of notable deviations from the approved budget and/or clarifications of the financial summary:

- Contracted Administrative Services in the summary report reflects the fees paid to the City of London.
- Electricity expenditures include the purchase of energy and related energy management service charges for the water system. The water system is currently tracking approximately \$15,000 lower than the previous year.
- Salaries, wages and benefits expenditures include all direct labour costs for administrative staff including benefits. Variations over the same period in 2022 are attributed to annual salary adjustments, and new staff hired.
- Administration and Other Expenses relates to various overhead operating expenses, including subscriptions and memberships, office supplies and property taxes. The expenses are higher than the same period in 2022 mainly due to an increase in property taxes.
- Vehicles and Equipment expenditures include costs associated with vehicles, computers and office equipment for administrative staff. . The increase from 2022 is due an increase in the computer contracted service costs.
- Purchased Services and Professional Fees largely relates to allowances for ad hoc professional consulting and legal services, security services, office lease, telephone charges, network and SCADA maintenance, printing services, and pipeline locate costs. The increased cost when compared to the same period in 2022 is largely attributed to increased insurance costs.
- Debt Principal and Interest payments occur twice per year; in the first and third quarter.

- Contributions to the Reserve Funds occur at the end of the fiscal year as part of the year-end audit preparation process, where the actual contributions are the total remaining revenue in excess of expenditures. Accordingly, the amount of the anticipated contribution is currently adjusted to reflect the additional revenue and expenses incurred and may be subject to further adjustment as a result of the completion of the year-end financial statements and audit.

Prepared by: Archana Gagnier
Budget and Finance Analyst

Submitted by: Andrew J. Henry, P.Eng.,
Director, Regional Water

Recommended by: Kelly Scherr, P.Eng., MBA, FEC
Chief Administrative Officer

Attachments: Operating Financial Status Summary – 3rd Quarter 2023

Quarterly Financial Summary Report

Lake Huron Water Supply system
3rd Quarter 2023 (July 1 to September 30)
(\$,000's)

	Approved 2023 Budget	Q3 - 2023	2023 Year to Date	Year To Date Variance	2022 Year To Date
Total Revenue	24,499	6,539	18,482	6,017	15,782
<u>Expenditures:</u>					
Contracted Operating Services	8,558	1,517	5,715	2,843	5,247
Contracted Administrative Services	328	76	227	101	242
Electricity	3,000	744	2,224	776	2,346
Salaries, Wages, Benefits	1,043	243	672	371	621
Administration and Other Expenditures	510	189	422	88	351
Vehicles and Equipment	168	3	55	113	49
Purchased Services & Professional Fees	1,521	545	1,154	367	1,147
Debt Principle Payments	1,113	168	1,106	7	1,283
Interest on Long-Term Debt	77	25	81	(4)	90
Contributions to Reserve Funds	8,180	0	0	8,180	0
Total Expenditures	24,499	3,510	11,656	12,843	11,376

Board of Management Report

Subject: Process Optimization Program Update

Overview:

- This report is intended to be updated annually to inform the Board of Management of the progress, outcomes and benefits that the Process Optimization program has achieved.
- This report is also intended to provide future insights of the Process Optimization program at the water treatment plant (WTP).

Recommendation

That, on the recommendation of the Chief Administrative Officer, the Board of Management for the Lake Huron Primary Water Supply System **RECEIVE** this report for information regarding the Process Optimization program at the Lake Huron water treatment plant.

Background

Board staff have had a long-standing relationship with university partners, such as Western University, the University of Toronto, and the University of Waterloo. Through these partnerships, the Process Optimization program has developed and grown into an internally led effort with industry and academic support as needed. The Process Optimization program has adopted the following goals:

- Monitor and assess current treatment processes to identify optimization opportunities that defer capital spending, reduce chemical and energy usage and operational cost, and decrease process waste streams;
- Undertake capital projects that result in process improvements and/or operational procedures;
- Research emerging contaminants to understand how they may impact our treatment capacity and capability in advance of possible regulatory changes at the WTP;
- Monitor changes to source water quality due to climate change to assess and maintain plant robustness;
- Support the objectives of the Environmental and Quality Policy to protect the environment, including prevention of pollution, climate change mitigation and adaptation, energy management, and chemical usage optimization in the production of treated potable water and associated residuals treatment; and,
- Uphold the long-term sustainability, resiliency and environmental conscious principles of the Asset Management Policy and associated Plan by minimizing the impact of infrastructure on the environment, addressing the vulnerabilities

and risks caused by climate change through lifecycle management and resource optimization.

Discussion

2022 Water Quality Facility Plan

The goals of the Process Optimization program were developed, in part, by the first Water Quality Facility Plan (WQFP) that was completed in 2015. The intent of the WQFP was to review existing and potential performance of the treatment plant processes and identify opportunities for improved consistency and reliability of water treatment efficacy. The WQFP was used as a guide to plan the next eight years of studies and optimization projects to maximize system capacity prior to large capital upgrades.

The results of the previous WQFP concluded that no major capital upgrades were necessary at that time and that the (then) planned filter upgrades would allow for the plant to achieve the rated capacity flow rate for the facility. The plan also recommended subsequent studies and projects that would address the treatment-related bottlenecks observed during the full-scale plant capacity testing.

Currently, Board staff are undertaking an update to the WQFP at the water treatment plant which is anticipated to be completed by mid-2024. The objectives of the updated WQFP are to review the current plant processes and identify opportunities for further optimization by performing bench scale investigations and full-scale stress testing. The results of the study will generate a road map for future studies, capital upgrades and potential operational modifications to improve water treatment capacity, efficiency and effectiveness. The updated WQFP will also review industry trends in regulations to ensure any recommendations for the water treatment plant are taking potentially more stringent treated water quality criteria into consideration. The recommendations will be ranked based on priority and a staged workplan will be developed.

A preliminary recommendation that has been identified through the WQFP is for staff to develop a jar testing program to optimize the pretreatment process based on raw water quality conditions. This recommended program will allow the operator to change chemical dosing in response to (potentially) rapidly changing source water conditions, while ensuring the effective operation of the treatment systems and minimizing cost.

The WQFP has also preliminarily identified continuing source water quality monitoring through quantitative microbial risk assessment (QMRA) sampling and analysis as the current Ontario Procedure for Disinfection is under review and could increase pathogen management requirements. Board staff undertook QMRA sampling between 2019 and 2021 and are currently analyzing the data using the Health Canada QMRA model.

Extreme Weather Sampling

Routine monitoring of plant processes and water quality through storm event samples and the filter monitoring program are used to identify if there have been any impacts to treatment processes during extreme weather events. Storm event samples have been collected to evaluate the impact of extreme weather events on source water quality, treatment processes and treated water quality by Board staff since 2010. Various reports have been written analyzing the storm event data including the 2018 Lake Huron WTP Storm Sample Evaluation of Raw Water Quality. This report used the storm event data and wind direction to evaluate the effect wind direction has on the raw water quality and treatment processes. The results concluded that wind direction does not affect raw water quality, unlike other treatment plants in the region. Currently the treatment process can respond and adapt to the source water quality changes including extreme weather events.

Filter Optimization

Filter optimization has been a focus of the program as well. After most of the filter upgrades were completed, a study to optimize the backwash flow rates was completed in 2018. This study aimed to reduce the volume of backwash water used by decreasing the backwash duration and flow rates. From this study, it was confirmed that a reduction of time and flow rates would not negatively affect the performance of the filters, and actually improved filter performance. These reductions were adopted by operations resulting in less backwash wastewater being directed to the residual management facility (RMF).

Between 2014 and 2019, all twelve (12) filters at the WTP had their media replaced. Using the filter performance spreadsheets, the 2021 Water Treatment Plant Filter Upgrade Report was written. An analysis of the filter performance before and after the media replacement was completed. Looking at the unit filter run volume (UFRV) as an indicator for performance it was concluded that the media replacement resulted in increased UFRV. This means more water is filtered during each filter run, and therefore treated between backwashes, resulting in an increase in production and a decrease in waste wash water.

Climate Change Vulnerability

Regional Water completed the Climate Change Vulnerability Assessment Tool (CCVAT) in 2021. The CCVAT identifies areas of vulnerability in the treatment system due to the impacts of climate change. From the vulnerabilities identified, recommendations for further monitoring and actions were generated. The results of the CCVAT concluded that the LHPWSS area is susceptible to climate change impacts. The Tool also demonstrated the water system has a high adaptive capacity and is currently resilient to climate change impacts. It is recommended to undertake this assessment every five (5) years to monitor how climate change related events continue to impact the system. By

periodically monitoring the effects of climate change on the treatment system, Board staff can plan for and mitigate the climate change effects by identifying potential risks to infrastructure and future treatment challenges.

Seasonal Variations

An Impact of Seasonal Variations study was undertaken to determine how each season affected the treatment process. From this study, it was determined that the treatment plant experiences significant seasonal variations related to source water quality and temperature. It was noted that when influent turbidities are low in the summer months, the percentage of solids removed through settling decreases. This has had an impact on filters' ability to treat the water. As a follow-up study, Board staff will perform jar testing using zeta potential instrumentation to optimize the pretreatment process to improve settlement of suspended solids during both low turbidity and storm-related events.

Partnerships with Natural Sciences and Engineering Research Council (NSERC) Chairs in Water Treatment

Partnership in the Natural Sciences and Engineering Research Council (NSERC) Chair in Water Treatment provides a forum that encourages the exchange of ideas, establishes important contacts with researchers, regulators, and others in the drinking water field, and in general keeps partners up to date with respect to relevant information and emerging issues.

The NSERC Chairs at the University of Toronto and the University of Waterloo provide their partners with research specific to the drinking water treatment plants using our data and water samples, share evolving proposals, such as peer reviewed journal articles relevant to our systems, access to research results and informally assist with research interpretations and/or study methodologies that are taken on internally. The other partners of this collaborative initiative, include but are not limited to, the Region of Waterloo, Niagara Region, Durham Region, City of Hamilton, City of Brantford, City of Toronto, City of Barrie, City of Guelph, City of Ottawa, Oxford County, District of Muskoka, GHD, Associated Engineering and Epcor. The Chairs also offer open communication and guidance to Board staff when emerging issues arise within the WTP. Board staff have partnered with the University of Toronto (U of T) and the University of Waterloo (UW).

The NSERC Chairs have also provide knowledge/technology transfer days. The UW has an annual Research Information Day as well as multiple opportunities throughout the year to attend presentations on current research initiatives, preliminary results, as well as final thesis presentations. The U of T offers a very similar platform and hosts an annual Technology Transfer Day, as well as multiple opportunities to attend presentations. Each NSERC partner has provided specific benefits to the LHPWSS by taking on research projects at the WTP.

The NSERC program ended in 2022, but Board staff have been working with the NSERC partners wrapping up the current projects. Upon the formal conclusion of the program, Board staff will seek other opportunities to participate in regional partnerships, such as those through NSERC, to the ongoing benefit of the utility.

University of Toronto (U of T)

Past research projects U of T has worked on include pretreatment improvements and quantitative microbial risk assessment (QMRA) sampling of the source water. U of T aided in the development of a jar testing procedure that would be representative of the full-scale plant pretreatment process. Jar testing aids in optimizing pretreatment chemicals.

U of T introduced the QMRA sampling procedure to Board staff. QMRA sampling is performed by drinking water authorities to quantify health risks from exposure to microorganisms in source water. With this data, Board staff have been able to monitor the presence of indicator microorganisms in the source water to ensure current disinfection processes are meeting water treatment regulations. The skills taught and knowledge transferred to Board staff have allowed QMRA sampling to become an internal study. The data obtained from these studies has also been used in various capital projects including the recent WTP Disinfection and Storage Upgrades Class Environmental Assessment. U of T has made themselves available to review the QMRA sampling protocol currently being developed.

U of T is currently initiating a new study into microplastics in source water and throughout the treatment process. In September 2023, water samples were taken at the WTP from the raw water, at various points throughout the treatment process and within distribution system. The samples were taken back to U of T for analysis. U of T will share the results of the samples and analysis with Board staff, and this will provide us with information regarding what types and sizes of microplastics are present in our source water and if any are removed through our current treatment processes.

University of Waterloo (UW)

The partnership with UW has been beneficial as well. A past study conducted at the WTP was a study looking at corrosion control methods to meet the reduced lead concentrations from 10 to 5 ug/L, the new regulated limit. This study was conducted using sodium silicate and orthophosphate addition. These chemicals were added to the finished water that was dosed with sodium hydroxide. The lead pipes were supplied by the City of London and used Lake Huron water as the source.

It was determined that orthophosphate was most effective at reducing lead levels at a lower concentration than the sodium silicate product. It was however, also concluded that orthophosphate created a higher concentration of biofilm on the pipe walls. Currently, the existing process is successful at corrosion control.

Currently, UW is in its final stages of the Robustness study at the WTP. Board staff have been providing UW with water samples from various stages of the treatment process as well as storm event sample results. The study objectives are to develop a framework to assess and improve the robustness of a drinking water treatment system and explore short term operational responses to the process to offset changes experienced in the source water quality during extreme weather events.

2024 Research Day

Prior to the recent pandemic, a biennial Research Day was hosted by Board staff. This day would bring together partners Board staff have worked with on research and process optimization projects at the Lake Huron and Elgin Area water treatment plants to present at a one-day conference. Attendees would include Board Members, representatives of member municipalities, operating authorities, local Ministry of Environment, Conservation and Parks staff, health unit staff, university partners, invited consultants and Board staff. Board staff are planning to resume the Research Day in Spring 2024. The aim of the Research Day is to share completed projects, while demonstrating the benefits that have been realized to stakeholders. A summary of future studies and optimization efforts will also be shared.

Conclusion

The Process Optimization program has been reaching its goals of monitoring and optimizing current treatment processes, researching emerging contaminants to maintain plant robustness and in advance of potential regulatory changes. The program has leveraged research partnerships with various universities and Board staff plan to continue these partnerships on future projects and studies. Looking ahead, Board staff will continue to communicate program results to the Board on an annual basis.

Prepared by: Brittany Bryans, P. Eng.
Environmental Services Engineer, Process Optimization

Submitted by: Billy Haklander, P.Eng., LL.M,
Senior Manager, Capital Programs

Recommended by: Kelly Scherr, P.Eng., MBA, FEC
Chief Administrative Officer

Board of Management Report

Subject: Delegated Authority Approvals and Expenditures

Overview:

- Pursuant to the Procurement of Goods and Services and Disposal of Assets Policy, the Board of Management has delegated certain powers and duties to the Director of Regional Water and/or the Chief Administrative Officer for specific procurements and related activities.
- Pursuant to the Delegation of Powers and Duties By-law, the Board of Management has delegated certain powers and duties to the Director of Regional Water and/or the Chief Administrative Officer for specific actions related to the execution of agreements and approval authorities.
- Pursuant to the Procurement of Goods and Services and Disposal of Assets Policy and the Delegation of Powers and Duties By-law, the Board of Management is to receive an annual summary report where delegated authority has been used by the water system's administration.

Recommendation

That, on the recommendation of the Chief Administrative Officer, the Board of Management for the Lake Huron Water Supply System receive this report for information.

Previous and Related Reports

None

Background

Pursuant to the Procurement of Goods and Services and Disposal of Assets Policy, this report is provided on an annual basis to provide the Board with a summary of events where delegated authority has been used by administration. The summary information covers instances related to the administrative awards of contracts and approval of expenditures in accordance with delegations of authority under the Procurement of Goods and Services and Disposal of Assets Policy as well as the Delegation of Duties and Powers By-law.

For the 2023 reporting period, the use of delegated authority under the previous Purchasing Policy (Bylaw No.2/1999) and related By-laws are also included.

Discussion

The following are a summary of events between January 1, 2023 and November 24, 2023 where delegated authority has been used:

Date	Value	Description/Authority
10 Jan. 2023	\$250,000.00	Sponsored Research and Collaboration Agreement with the Natural Sciences and Research Council of Canada Industrial Research Chair at the University of Toronto. The Lake Huron and Elgin Area Water Systems each provide \$25,000 per year for the sponsored research period. The funding program includes nine (9) other major utilities and three (3) companies for the five-year period. (Delegation of Powers and Duties Policy, s. 5.1(c))
24 Mar. 2023	\$97,257.90	Administrative award of an irregular bid as only one proposal was received. The engineering work is related to the preliminary engineering and conceptual design related to the water treatment plant administration building and site development conceptual plans. Jointly approved by the Director and CAO (Section 4.14.2, Procurement of Goods and Services and Disposal of Assets Policy)
<various>		Ninety-four (94) Individual Compensation Update Agreements, amending the corresponding Pipeline Operations and Maintenance Agreements with landowners along the primary transmission pipeline. The updated and amended compensation rates cover the period of 2023 to 2027 and the amending agreements are signed by the Chief Administrative Officer. (Delegation of Powers and Duties Policy, s. 5.1(a))
26 Apr. 2023	\$78,327.49	Change Order approved to address additional communications cables than what the original tender allowed for. Work was related to the security camera and access controls installation. Jointly approved by the Director and CAO (Section 4.18.3(d), Procurement of Goods and Services and Disposal of Assets Policy)

Date	Value	Description/Authority
26 Apr. 2023	\$0.00	Crane Rental Agreement executed by the Director of Regional Water for the use of the 10-tonne overhead monorail crane at the McGillivray booster pumping station by Sutherland-Schultz for the McGillivray Electrical Upgrades project LH1243. (Delegation of Powers and Duties Policy, s. 5.2(a))
3 May 2023	\$85,000.00	Estimated (cap) legal fees for legal opinion and related services for the consideration of the Joint Municipal Services Board and/or Municipal Services Corporation. Jointly approved by the Director and CAO (Sched.B-s.9, Exemptions, Procurement of Goods and Services and Disposal of Assets Policy)
5 May 2023	\$570,000	Soundprint® Acoustic Fibre Optic Monitoring System five-year extension agreement with Pure Technologies Ltd., a division of Xylem, signed by the Director of Regional Water. Jointly approved by the Director and CAO (Sched.B-s.5, Exemptions, Procurement of Goods and Services and Disposal of Assets Policy)
18 May 2023	\$1,383,172.00	Administrative award for engineering services for the Oneida Transmission Pipeline project LH1408. (Board resolution of March 2, 2023)
7 Jun. 2023	\$103,399.50	Office lease amending agreement and extension with Summit Properties. Jointly approved by the Director and CAO (Sched.B-s.12, Exemptions, Procurement of Goods and Services and Disposal of Assets Policy)
		NOTE: cost noted is split between the Lake Huron and the Elgin Area water systems.
20 Jun. 2023	\$0.00	Confidentiality and Non-Disclosure Agreement with Stantec Consulting signed by the Director of Regional Water related to the Oneida Transmission Pipeline project LH1408 for the provision of certain security-sensitive information. (Delegation of Powers and Duties Policy, s. 5.2(b))

Date	Value	Description/Authority
20 Jun. 2023	\$75,774.65	Administrative award (single source) to the water system's Meter Service Provider (ERTH Corp.) related to regulatory electrical metering/reporting support services for the McGillivray Electrical Upgrades project LH1423. Jointly approved by the Director and CAO (Section 4.7.5(c)(i), Procurement of Goods and Services and Disposal of Assets Policy)
25 Aug. 2023	\$0.00	Dedicated Locator Agreement signed by the Director of Regional Water related to project-specific locate services by LTS Build Services Ltd. for the "FTTH Middlesex – G23A884A01" project undertaken by Ledcor Group. (Delegation of Powers and Duties Policy, s, 5.2(a))
23 Oct. 2023	\$0.00	Amendment to the End User Data Licence Agreement with Taranet Inc. signed by the Director of Regional Water to allow the automated online transmission of updated land parcel data to the water systems' Geographic Information System (GIS) database. (Delegation of Powers and Duties Policy, s, 5.2(a))
7 Nov. 2023	\$16,447.70	Purchase of specialized Rockwell Automation hardware via Westburne Ruddy Electric for the plant's SCADA system. Jointly approved by the Director and CAO (Section 4.13.5, Procurement of Goods and Services and Disposal of Assets Policy)

Submitted by: Andrew J. Henry, P.Eng.,
Director, Regional Water

Recommended by: Kelly Scherr, P.Eng., MBA, FEC
Chief Administrative Officer

Board of Management Report

Subject: Board Code of Conduct

Overview:

- Section 223.2 of the Municipal Act, 2001 requires municipalities and local boards to adopt a code of conduct for members of municipal council and local boards.
- The proposed Code of Conduct was prepared with the assistance of the Boards' solicitor and used the Code of Conduct of the City of London and other comparable municipalities and utilities in Ontario as a guide.

Recommendation

That the attached By-Law regarding the Code of Conduct for Members of the Joint Board of Management for the Lake Huron Primary Water Supply System be **INTRODUCED** for three readings and approved by the Joint Board of Management for the Lake Huron Water Supply System.

Previous and Related Reports

None

Background

The Board of Management (Board) for the Lake Huron Water Supply System was established by Transfer Order (Order) issued by the Minister of the Environment of the province of Ontario effective September 15, 2000, pursuant to the Municipal Water and Sewage Systems Transfer Act, 1997. The Order establishes the Board's authority to, among other things, enact policies and enter into agreements related to the Lake Huron Water Supply System.

Discussion

Section 223.2 of the Municipal Act, 2001, requires municipalities and local boards to adopt a code of conduct for members of municipal council and local boards. To date, the Board of Management for the Lake Huron Water Supply System has not adopted a formal Code of Conduct.

The proposed Code of Conduct for Members of the Joint Board of Management for the Lake Huron Primary Water Supply system (Code of Conduct), attached to this report as Schedule 'A' of Appendix A of this report, provides the overall framework for a code as required by the Municipal Act. The proposed Code of Conduct was prepared with the

assistance of the Board's solicitor, Gowlings LLP, and used the Code of Conduct of the City of London and other comparable municipalities and utilities in Ontario.

At this time, Board staff do not have a recommendation for the appointment of an Integrity Commissioner; however, section 223.3(1.1) allows the Lake Huron Primary Water Supply System to appoint and use the Integrity Commissioner of another municipality.

Conclusion

The proposed Code of Conduct for Members of the Joint Board of Management for the Lake Huron Primary Water Supply System, enacted by By-Law No.6A-2023 as attached, fulfils the requirements of Section 223.2 of the *Municipal Act, 2001* regarding the establishment of a Code of Conduct.

Submitted by: Andrew J. Henry, P.Eng.,
Director, Regional Water

Recommended by: Kelly Scherr, P.Eng., MBA, FEC
Chief Administrative Officer

Attachments: Appendix A – Proposed By-Law No. 6A-2023
Schedule 'A' – Code of Conduct for the Members of the Joint Board of Management for the Lake Huron Primary Water Supply System.

Appendix A – Proposed By-Law No.6A-2023

A By-law to establish a Code of Conduct for the Members of the Joint Board of Management for the Lake Huron Primary Water Supply System, as required under section 223.2 of the *Municipal Act, 2001*.

WHEREAS the Joint Board of Management for the Lake Huron Water Supply System was established by Transfer Order Lake Huron Area #W1/1998, effective September 15, 2000, pursuant to the *Municipal Water and Sewage Systems Transfer Act, 1997*;

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

AND WHEREAS section 223.2 of the *Municipal Act, 2001* requires that a municipality and/or local board adopt and maintain a Code of Conduct for the members of the Board;

NOW THEREFORE the Board of Management for the Lake Huron Water Supply System enacts as follows:

1. The attached Code be hereby implemented:

SCHEDULE 'A' – Code of Conduct for Members of the Joint Board of Management for the Lake Huron Primary Water Supply System

2. This by-law shall come into force and effect on January 1, 2024.

PASSED in Open session on _____, 2023

First Reading – _____, 2023

Second Reading – _____, 2023

Third Reading - _____, 2023

By-Law No. 6A-2023 – Schedule ‘A’

**CODE OF CONDUCT FOR MEMBERS OF THE JOINT BOARD OF MANAGEMENT FOR
THE LAKE HURON PRIMARY WATER SUPPLY SYSTEM**

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Article I. POLICY STATEMENT

Section 1.01 This Code of Conduct is established under the authority of Part V.1 – Accountability and Transparency of the *Municipal Act, 2001*, as amended.

Section 1.02 This Code of Conduct was adopted by the Board by By-law No. 6A-2023 on December 7, 2023 and effective as of January 1, 2024.

Article II. PURPOSE

Section 2.01 This Code establishes the Code of Conduct for appointed Members of the Joint Board of Management for the Lake Huron Primary Water Supply System.

Section 2.02 In serving the public, a Member is expected to meet the highest standards of conduct to maintain and foster the reputation and integrity of the Lake Huron Primary Water Supply System. A written Code of Conduct helps to ensure a common basis of acceptable behaviour. These standards demonstrate how appointed Members conduct themselves with integrity and respect.

Article III. DEFINITIONS

Section 3.01 In this Code of Conduct:

- (a) “apparent conflict of interest” shall mean if there is a reasonable perception, which a reasonably well-informed person could properly have, that the Member’s ability to exercise an official power or perform an official duty or function must have been affected by his or her private interest;
- (b) the “Board” or the “Board of Management” shall mean the Joint Board of Management for the Lake Huron Primary Water Supply System as established by Transfer Order issued by the Minister of the Environment of the province of Ontario effective September 15, 2000, pursuant to the *Municipal Water and Sewage Systems Transfer Act, 1997*.
- (c) “Chief Administrative Officer” shall mean the person appointed as the Chief Administrative Officer in accordance with the Appointment of the Chief Administrative Officer By-law.
- (d) “child” shall mean a child born within or outside marriage and includes an adopted child and a person whom a parent has demonstrated a settled intention to treat as a child of their family;
- (e) “Code” shall mean this Code of Conduct;

- (f) “family member” shall mean a child, parent or a spouse;
- (g) “Huron” shall mean the Lake Huron Primary Water Supply System;
- (h) “Integrity Commissioner” shall mean the Integrity Commissioner appointed by the Board pursuant to Section 223.3 of the *Municipal Act, 2001* or the Integrity Commissioner as designated by the Board pursuant to Section 223.3(1.1) of the *Municipal Act, 2001*;
- (i) “Member” shall mean a member of the Joint Board of Management for the Lake Huron Primary Water Supply System appointed in accordance with the Appointment of Board Members By-law;
- (j) “pecuniary interest” shall mean the opportunity, directly or indirectly, to profit or share in any profit derived from the activities of Huron or the Board;
- (k) “parent” shall mean a parent who has demonstrated a settled intention to treat a child as a member of their family whether or not that person is the natural parent of the child;
- (l) “spouse” shall mean a person to whom the person is married or with whom the person is living in a conjugal relationship outside of marriage;
- (m) “Transfer Order” shall mean the Transfer Order Lake Huron Area #W1/1998 dated 15 September 2000, issued by the Minister of the Environment under the *Municipal Water and Sewage Systems Transfer Act, 1997*.

Article IV. APPLICABILITY

Section 4.01 This Code of Conduct applies to all Members appointed to the Joint Board of Management for the Lake Huron Primary Water Supply System, including the Board Chair and Vice-Chair elected from time to time by the Members.

Article V. INTERPRETATION AND FRAMEWORK

Section 5.01 This Code is to be given a broad and liberal interpretation in accordance with the applicable legislation, the definitions set out herein and the Code’s general intent and purpose.

Section 5.02 The Code operates together with, and as a supplement to, the following legislation that governs the conduct of Members:

- (a) *Municipal Act, 2001*;

- (b) *Municipal Conflict of Interest Act*;
- (c) *Municipal Elections Act, 1996*;
- (d) *Municipal Freedom of Information and Protection of Privacy Act*;
- (e) *Safe Drinking Water Act, 2002*;
- (f) *Provincial Offences Act*;
- (g) *Occupational Health and Safety Act*;
- (h) *Ontario Human Rights Code*;
- (i) *Criminal Code of Canada*;
- (j) the by-laws and policies of the Board as adopted and amended from time to time; and,
- (k) the Lake Huron Transfer Order.

Section 5.03 Members are governed by the *Municipal Conflict of Interest Act*, which contains the following principles in relation to the duties of Members:

- (a) The importance of integrity, independence and accountability in local government decision-making;
- (b) The importance of certainty in reconciling the public duties and pecuniary interest of Members;
- (c) Members are expected to perform their duties as Members with integrity and impartiality in a manner that will bear the closest scrutiny; and,
- (d) There is a benefit to municipalities and local boards when Members have a broad range of knowledge and continue to be active in their own communities, whether in business, in the practice of a profession, in community associations and otherwise.

Article VI. GENERAL RULES

Section 6.01 Members shall serve and be seen to serve in a conscientious, accountable, transparent and diligent manner.

Section 6.02 Members shall be committed to performing their functions with integrity, independence and impartiality and to avoid the improper use of the influence of their position, and conflicts of interest, including apparent conflicts of interest.

- Section 6.03** Members shall not extend favour in the discharge of their official duties, preferential treatment to family members, organizations or groups in which they or their family members have a direct or indirect pecuniary interest.
- Section 6.04** Members are expected to perform their duties and arrange their private affairs in a manner that promotes public confidence and will bear close public scrutiny.
- Section 6.05** Members shall seek to serve Huron and the public interest by upholding both the letter and the spirit of the laws of the Federal Parliament, the Ontario Legislature, and the By-laws and policies of the Board.
- Section 6.06** Members shall accurately and adequately communicate the decisions of the Board, even if they disagree with the Board's decision, such that the respect for the decision-making processes of the Board is fostered.

Article VII. GIFTS, BENEFITS AND HOSPITALITY

- Section 7.01** No inappropriate gifts and hospitality are allowed that would, to a reasonable member of the public, appear to be in gratitude for influence, to induce influence, or otherwise to go beyond the necessary and appropriate public functions involved.
- Section 7.02** No Member shall accept, solicit, offer or agree to accept a commission, fee, advance, cash, gift, hospitality, gift certificate, bonus, reward or benefit that is connected directly or indirectly with the performance of their duties unless permitted by the exceptions listed in section 7.05 below.
- Section 7.03** No Member shall accept the use of property or facilities, such as a vehicle, office or vacation property at less than fair market value or at no cost unless permitted by the exceptions listed in section 7.05 below.
- Section 7.04** For the purpose of this Code, a commission, fee, advance, cash, gift, hospitality, gift certificate, bonus, reward or benefit provided with the Member's knowledge to a friend, family member or to a Member's staff that is connected directly or indirectly to the performance of the Member's duties, is deemed to be a gift to that Member.
- Section 7.05** Members are not precluded from accepting:
- (a) contributions authorized by law;
 - (b) contributions that are otherwise offered, accepted and reported in accordance with applicable law;
 - (c) food and beverages at banquets, receptions, ceremonies or similar events, if:

- (i) attendance serves a legitimate business purpose;
- (ii) the person extending the invitation or a representative of the organization is in attendance; and
- (iii) the value is reasonable and the invitations infrequent;
- (d) services without compensation by persons volunteering their time;
- (e) food, lodging, transportation, hospitality and entertainment provided by other levels of government, by other local governments, boards or commissions or by a foreign government within a foreign country;
- (f) a reimbursement of reasonable expenses incurred in the performance of duties or office;
- (g) a reimbursement of reasonable expenses incurred and honorariums received in the performance of activities connected with associations;
- (h) token gifts such as souvenirs, mementos and commemorative gifts that are given in recognition of service on a committee, for speaking at an event or representing Huron or the Board at an event; and
- (i) gifts that are received as an incident of protocol or social obligation that normally and reasonably accompany the responsibility of office.

Section 7.06 A Member shall return any gift or benefit which does not comply with this Code, along with an explanation of why the gift or benefit cannot be accepted.

Section 7.07 In the case of exceptions claimed under 7.05 (c), (e), (h) and (i), if the value of the gift, hospitality or benefit exceeds \$300.00, or if the total value of gifts, hospitality or benefits received from one source during the course of a calendar year exceeds \$300.00, the Member shall within 30 days of receipt of the gift, hospitality or benefit or reaching the annual limit, complete a disclosure statement in a form prescribed by the Integrity Commissioner and file it with the Integrity Commissioner. A disclosure statement shall be a matter of public record.

Section 7.08 On receiving a disclosure statement, the Integrity Commissioner shall examine it to ascertain whether the receipt of the gift, hospitality or benefit might, in their opinion, create a conflict between a private interest and the duties of the Member. In the event that the Integrity Commissioner makes that preliminary determination, they shall call upon the Member to justify receipt of the gift, hospitality or benefit.

Article VIII. CONFIDENTIAL INFORMATION

- Section 8.01** Members of the Board may acquire confidential information from a variety of different resources in the course of their work. Confidential information includes information in the possession of, or received in confidence by the Board, that the Board is either prohibited from disclosing, or is required to refuse to disclose under the *Municipal Freedom of Information and Protection of Privacy Act*.
- Section 8.02** A Member shall not collect, use, or disclose information in contravention of the provisions of the *Municipal Freedom of Information and Protection of Privacy Act*.
- Section 8.03** A Member shall not disclose information that is subject to solicitor-client privilege, unless the privilege has been expressly waived by the Board.
- Section 8.04** A Member shall not misuse any confidential information such that the release thereof may cause detriment to the Board, Huron, the public or others or benefit or detriment to themselves or others. For greater certainty, confidential information includes, without limitation, information that a Member has knowledge of by virtue of their appointment as a Member that is not in the public domain, including emails, and oral and written communications from other Members or third parties.

Article IX. CONDUCT AT MEETINGS AND WHEN REPRESENTING THE BOARD AND HURON

- Section 9.01** Members of the Board shall conduct themselves with decorum at all Board meetings in accordance with the provisions of the Board's procedure By-law (as required under Section 238 of the *Municipal Act, 2001*).
- Section 9.02** A Member shall make every effort to participate diligently in the activities of the Board.

Article X. INCOMPATIBLE ACTIVITY

- Section 10.01** A Member shall not engage in any activity, financial or otherwise, which is incompatible or inconsistent with the ethical discharge of their duties as a Member.
- Section 10.02** Without limiting the generality of the foregoing, a Member shall not:
 - (a) use the influence of their position for any purpose other than for the exercise of their duties;
 - (b) act as an agent before the Board;

- (c) use any information gained in the execution of their position that is not available to the general public for any purpose other than the exercise of their duties;
- (d) place themselves in a position of obligation to any person or organization which might reasonably benefit from special consideration or may seek preferential treatment;
- (e) give preferential treatment to any person or organization in which a Member has a financial interest;
- (f) influence any administrative or Board decision or decision-making process involving or affecting any person or organization in which a Member has a financial interest;
- (g) use Huron's or the Board's property, materials, equipment, services, supplies, facilities, officers, employees, agents or contractors for personal gain, personal purpose or for any private purpose; or
- (h) influence or interfere, either directly or indirectly, financially, politically or otherwise with employees, officers or other persons performing duties under the *Provincial Offences Act*.

- Section 10.03** A Member shall not allow the prospect of their future employment or appointment by a person or entity to detrimentally affect the performance of their duties.
- Section 10.04** A Member shall avoid waste, abuse and extravagance in the provision or use of public resources.
- Section 10.05** A Member shall expose fraud and corruption of which the Member is aware.

Article XI. CONDUCT RESPECTING STAFF

- Section 11.01** A Member shall be respectful of Huron's officers, employees, individuals contracted by Huron or the Board on a purchase of service agreement and students on placements.
- Section 11.02** No Member shall injure the professional or ethical reputation, or the prospect or practice of an officer or employee of Huron, the Board, an individual contracted by the Huron or the Board on a purchase of service agreement or a student on placement, and all Members shall show respect for the professional capacities of such persons.
- Section 11.03** No Member shall compel or attempt to compel an officer and employee of Huron or the Board to engage in partisan activities or be subjected to threats or discrimination for refusing to engage in such activities.

Section 11.04 No Member shall use, or attempt to use, their authority for the purpose of intimidating, threatening, coercing, commanding or influencing any officer and employee of the Board or Huron, individual contracted by the Board or Huron on a purchase of service agreement or a student on placement with the intent of interfering in that employee's duties, including the duty to disclose improper activity.

Section 11.05 Members shall be respectful of the role of staff to provide advice based on neutrality and objectivity and without undue influence from any individual Member or faction of the Board.

Article XII. DISCREDITABLE CONDUCT

Section 12.01 Members have a duty to treat members of the public, one another, individuals contracted by the Board or Huron on a purchase of service agreement, students on placement and officers and employees of the Board or Huron appropriately and without abuse, bullying or intimidation and to ensure that their work environment is safe and free from discrimination and harassment. *The Ontario Human Rights Code* and the *Occupational Health and Safety Act* apply and, where applicable, Board policies.

Section 12.02 Upon receipt of a complaint with respect to alleged discreditable conduct of a Member, the Integrity Commissioner shall forward the information subject to the complaint to Huron's Chief Administrative Officer which, in the event mediation or other informal attempts to resolve the complaint as provided for in the applicable policy are not appropriate or prove ineffective and where the Chief Administrative Officer determines that further inquiry is warranted, will refer it to an external investigator to conduct an independent investigation.

Section 12.03 Upon receipt of the report of the independent investigator, the Integrity Commissioner shall make a determination on the application of this Code of Conduct and the merits of the investigation respecting the conduct of the Member subject to the complaint. The findings of the Integrity Commissioner shall be reported to the Board as per the normal procedure respecting such matters.

Section 12.04 Where the complaint with respect to alleged discreditable conduct relates to the conduct of the Chief Administrative Officer, the Integrity Commissioner shall delegate the duties of the Chief Administrative Officer with respect to a complaint of discreditable conduct set out herein.

Section 12.05 In making a delegation under Section 12.04, the Integrity Commissioner shall first satisfy himself or herself that the person to whom the duties are to be delegated is fully capable of carrying out these duties.

Article XIII. USE OF BOARD PROPERTY, SERVICES AND OTHER RESOURCES

Section 13.01 In order to fulfil their duties, Members have access to municipal, Huron and Board resources such as property, equipment, services, staff and supplies. No Member shall use or permit the use of these land, facilities, equipment, supplies, services, staff or other resources for activities other than the purposes connected with the discharge of their duties as Members.

Article XIV. BOARD POLICIES AND PROCEDURES

Section 14.01 Members shall adhere to such by-laws, policies and procedures adopted by the Board that are applicable to them.

Article XV. ELECTION-RELATED ACTIVITY

Section 15.01 Members are required to conduct themselves in accordance with the *Municipal Elections Act, 1996* and the Board's policy regarding the use of Board resources during the election campaign period (as required under section 88.18 of the *Municipal Elections Act, 1996*). No Member shall solicit, demand or accept the services of any officer and employee, or individual providing services on a contract for service, for re-election purposes during hours in which the officer, employee, or individual providing services under a contract for service, is in the paid employment of Huron;

Section 15.02 The use of Board resources, both actual property and staff time, for election-related activity is strictly prohibited. The prohibition applies to both the promotion and opposition to the candidacy of a person for election office. Election-related activity applies to campaigns for municipal, provincial and federal office.

Article XVI. OUTSIDE ACTIVITIES

Section 16.01 Members shall not be a director or hold an executive position with any organization whose objectives and mandates are in conflict with, or may reasonably be perceived to be in conflict with, the objectives and mandates of the Board. Before taking on a new executive position, the member shall inform the Chair of the Board and the Integrity Commissioner to obtain advice about the new circumstances.

Article XVII. INTEGRITY COMMISSIONER

- Section 17.01** Members seeking clarification of any part of this Code should consult with the Integrity Commissioner and submit such requests in writing.
- Section 17.02** Any advice given by the Integrity Commissioner to a Member shall be in writing and binds the Integrity Commissioner in any subsequent consideration of the conduct of the Member in the same matter if all the relevant facts known to the Member were disclosed to the Integrity Commissioner.
- Section 17.03** In carrying out their responsibilities regarding the Code, the Integrity Commissioner is not limited to looking at the pecuniary interest of the Member and, for clarity, the Integrity Commissioner is specifically authorized to investigate issues of conflict in a broad and comprehensive manner.
- Section 17.04** It is a violation of the Code to obstruct the Integrity Commissioner in the carrying out of their duties and responsibilities.
- Section 17.05** No Member shall threaten or undertake any active reprisal against a person initiating an inquiry or complaint under the Code or against a person who provides information to the Integrity Commissioner in any investigation.
- Section 17.06** It is a violation of the Code to destroy any documents or erase any electronic communications or refuse to respond to the Integrity Commissioner where a formal complaint has been lodged under the Code.
- Section 17.07** Upon receipt of a recommendation from the Integrity Commissioner, the Board may, in circumstances where the Integrity Commissioner has determined there has been a violation of the Code of Conduct, impose either:
- (a) removal from membership of a committee of the Board;
 - (b) removal as Chair of the Board or a committee of the Board;
 - (c) removal as Vice-Chair of the Board or a committee of the Board;
 - (d) written or verbal public apology; or
 - (e) return of property or reimbursement of its value or of monies spent.
- Section 17.08** The Integrity Commissioner may also recommend that Council revoke the Member's appointment to the Board.
- Section 17.09** The Integrity Commissioner has the final authority to recommend any of the sanctions above or other remedial actions at their discretion.

PART A: INFORMAL COMPLAINT PROCEDURE

Section 17.10 Any person or any representative of an organization who has identified or witnessed behaviour or an activity by a Member that they believe is in contravention of this Code of Conduct may wish to address the prohibited behaviour or activity themselves as follows:

- (a) advise the Member that the behaviour or activity contravenes the Code;
- (b) encourage the Member to acknowledge and agree to stop the prohibited behaviour or activity and to avoid future occurrences of the prohibited behavior or activity;
- (c) keep a written record of the incidents including dates, times, locations, other persons present, and any other relevant information;
- (d) request the Integrity Commissioner to assist in informal discussion of the alleged complaint with the Member in an attempt to resolve the issue;
- (e) if applicable, confirm to the Member your satisfaction with the response of the Member; or, if applicable, advise the Member of your dissatisfaction with the response; and
- (f) consider the need to pursue the matter in accordance with the formal complaint procedure outlined in Part B, or in accordance with another applicable judicial or quasi-judicial process or complaint procedure.

All persons and organizations are encouraged to initially pursue this informal complaint procedure as a means of stopping and remedying a behaviour or activity that is prohibited by the Code. With the consent of the complaining individual or organization and the Member, the Integrity Commissioner may be part of any informal process. However, it is not a precondition or a prerequisite that those complaining must pursue the informal complaint procedure before pursuing the Formal Complaint Procedure in Part B.

PART B: FORMAL COMPLAINT PROCEDURE

(A) Integrity Commissioner Requests for Inquiries

Section 17.11 A request for an investigation of a complaint that a Member has contravened the Code (the “complaint”) shall be sent directly to the Integrity Commissioner by mail, e-mail, fax or courier and shall be in writing.

Section 17.12 All complaints shall be signed by an identifiable individual (which includes the authorized signing officer of an organization).

Section 17.13 A complaint shall set out reasonable and probable grounds for the allegation that the Member has contravened the Code. For example, the complaint should include the name of the alleged violator, the section of the Code allegedly contravened, facts constituting the alleged contravention, the names and contact information of witnesses, and contact information for the complainant during normal business hours.

Section 17.14 The Board may also file a complaint and/or request an investigation of any of its Members by public motion.

(B) Initial Classification by Integrity Commissioner

Section 17.15 Upon receipt of the complaint, the Integrity Commissioner shall make an initial classification to determine if the matter is, on its face, a complaint with respect to non-compliance with the Code and not covered by other legislation or other Board policies.

Section 17.16 If the complaint is not, on its face, a complaint with respect to non-compliance with the Code or the complaint is covered by other legislation or a complaint procedure under another Board policy, the Integrity Commissioner shall advise the complainant in writing as follows:

- (a) if the complaint on its face is an allegation of a criminal nature consistent with the Criminal Code of Canada, the complainant shall be advised that if the complainant wishes to pursue any such allegation, the complainant must pursue it with the appropriate police force;
- (b) if the complaint on its face is with respect to non-compliance with the *Municipal Freedom of Information and Protection of Privacy Act*, the complainant shall be advised that the matter will be referred for review to the Chief Administrative Officer;
- (c) if the complaint on its face is with respect to non-compliance with a more specific Board policy with a separate complaint procedure, the complainant shall be advised that the matter will be processed under that procedure;
- (d) if the complaint is in relation to a matter which is subject to an outstanding complaint under another process such as a Human Rights complaint or similar process, the Integrity Commissioner may, in their sole discretion and in accordance with legislation, suspend any investigation pending the result of the other process; and,
- (e) in other cases, the complainant shall be advised that the matter, or part of the matter, is not within the jurisdiction of the Integrity Commissioner to process, with any additional reasons and referrals as the Integrity Commissioner considers appropriate.

Section 17.17 The Integrity Commissioner may report to the Board that a specific complaint is not within the jurisdiction of the Integrity Commissioner, but shall not disclose information that could identify a person concerned.

Section 17.18 The Integrity Commissioner shall report semi - annually to the Board on complaints not within the jurisdiction of the Integrity Commissioner, but shall not disclose information that could identify a person concerned.

(C) Integrity Commissioner Investigation

Section 17.19 If the Integrity Commissioner is of the opinion that a complaint is frivolous, vexatious or not made in good faith, or that there are no grounds or insufficient grounds for an investigation, the Integrity Commissioner shall not conduct an investigation, or, where that becomes apparent in the course of an investigation, terminate the investigation.

Section 17.20 Other than in exceptional circumstances, the Integrity Commissioner will not report to the Board on any complaint described in section 18.13 except as part of a semi- annual or other periodic report.

Section 17.21 If a complaint has been classified as being within the Integrity Commissioner's jurisdiction and not rejected under section 18.13, the Commissioner shall investigate and in so doing, at any time may attempt to settle the complaint.

Section 17.22 Upon receipt of a formal complaint pursuant to the Code, and where the Integrity Commissioner determines that the complaint meets the criteria to be investigated, the Integrity Commissioner may elect to conduct an informal investigation, which may include mediation, or alternatively to exercise the powers of a Commission under sections 33 and 34 of the *Public Inquiries Act, 2009* as contemplated by subsection 223.4(2) of the Act.

Section 17.23 When the *Public Inquiries Act, 2009* applies to an investigation of a complaint, the Integrity Commissioner shall comply with the procedures specified in that Act and this Complaint Protocol, but, if there is a conflict between a provision of the Complaint Protocol and a provision of the *Public Inquiries Act, 2009*, the provision of the *Public Inquiries Act, 2009* prevails.

Section 17.24 The Integrity Commissioner will proceed as follows, except where otherwise required by the *Public Inquiries Act, 2009*:

- (a) serve the complaint and supporting material upon the Member whose conduct is in question with a request that a written response to the allegation by way of affidavit or otherwise be filed within ten (10) business days; and
- (b) serve a copy of the response provided by the Member upon the complainant, with a request for a written reply within ten (10) business days.

Section 17.25 If necessary, after reviewing the written materials, the Integrity Commissioner may speak to anyone relevant to the complaint, access and examine any of the information described in subsections 223.4(3) and (4) of the *Municipal Act*, and may enter any Local Board or if necessary, Huron work location relevant to the complaint for the purposes of investigation and settlement.

Section 17.26 The Integrity Commissioner shall not issue a report finding a violation of the Code on the part of any Member unless the Member has had reasonable notice of the basis for the proposed finding and any recommended penalty and an opportunity either in person or in writing to comment on the proposed finding and any recommended penalty.

Section 17.27 The Integrity Commissioner may make interim reports to the Board where necessary and as required to address any instances of interference, obstruction or retaliation encountered during an investigation.

Section 17.28 If the Integrity Commissioner has not completed an investigation before Nomination Day for a regular election, as set out in the *Municipal Elections Act, 1996*, the Integrity Commissioner shall terminate the inquiry on that day.

If an investigation is terminated in accordance with subsection 223.4(7) of the *Municipal Act, 2001*, the Integrity Commissioner shall not commence another inquiry in respect to the matter unless, within six weeks after Voting Day in a regular election, the complainant who made the request or the Member or former Member whose conduct is concerned makes a written request to the Integrity Commissioner that the investigation be commenced.

Section 17.29 The Integrity Commissioner shall retain all records related to the complaint and investigation.

Section 17.30 Notwithstanding any other provisions of this Protocol, in the year of a regular election, the following rules apply during the period starting on Nomination Day for a regular election, as set out in section 31 of the *Municipal Elections Act, 1996* and ending on Voting Day in a regular election, as set out in section 5 of the Act:

- (a) there shall be no requests for an inquiry about whether a Member has contravened the Code applicable to the Member;
- (b) the Integrity Commissioner shall not report to the Board about whether in their opinion, a Member has contravened the Code applicable to the Member; and,
- (c) the Board shall not consider whether to impose penalties referred to in subsection 223.4(5) of the *Municipal Act, 2001*, on a Member.

- Section 17.31** The Integrity Commissioner shall report to the complainant and the Member generally no later than 90 days after the intake process has been completed and an investigation has been commenced. If the investigation process takes more than 90 days, the Integrity Commissioner shall provide an interim report and must advise the parties of the date the report will be available.
- Section 17.32** Where the complaint is sustained in whole or in part, the Integrity Commissioner shall also report to the Board outlining the findings, the terms of any settlement or recommended penalty. The Chief Administrative Officer shall process the report for the next regular meeting of the Board.
- Section 17.33** Any recommended corrective action must be permitted in law and shall be designed to ensure that the inappropriate behavior or activity does not continue.
- Section 17.34** Where the complaint is dismissed, other than in exceptional circumstances, the Integrity Commissioner shall not report to the Board except as part of a semi-annual or other periodic report.
- Section 17.35** If the Integrity Commissioner determines that there has been no contravention of the Code or that a contravention occurred although the Member took all reasonable measures to prevent it, or that a contravention occurred that was trivial or committed through inadvertence or an error of judgment made in good faith, the Integrity Commissioner shall so state in the report and shall recommend that no penalty be imposed.
- Section 17.36** Notwithstanding any other provision of this Code, the Integrity Commissioner shall not make any report to the Board or to any other person during the period of time starting on Nomination Day and ending on Voting Day in any year in which a regular municipal election will be held, as set out in the *Municipal Elections Act, 1996*.

(D) Board Review

- Section 17.37** The Board shall consider and respond to the report within 90 days after the day the report is laid before it.
- Section 17.38** The Board shall not consider whether to impose sanctions on a Member, where the Integrity Commissioner makes a report to the Board regarding a contravention of the Code, during the period of time starting on Nomination Day and ending on Voting Day in a year in which a regular election will be held, as set out in the *Municipal Elections Act, 1996*.
- Section 17.39** In responding to the report, the Board may vary a recommendation that imposes a penalty, subject to section 223.4, subsection (5) of the *Municipal Act, 2001*, but shall not refer the recommendation other than back to the Integrity Commissioner.

- Section 17.40** Upon receipt of recommendations from the Integrity Commissioner, the Board may, in circumstances where the Integrity Commissioner has determined there has been a violation of the Code impose a reprimand.
- Section 17.41** The Integrity Commissioner may also recommend that the Board impose one of the following actions:
- (a) Written or verbal public apology;
 - (b) Return of property or reimbursement of its value or of monies spent;
 - (c) Removal from membership of a committee of the Board; or,
 - (d) Removal as Chair or Vice-Chair of the Board.
- Section 17.42** The Integrity Commissioner may also recommend that Council revoke the member's appointment to the Board.
- Section 17.43** The Integrity Commissioner has the authority to apply sections 5, 5.1 and 5.2 of the *Municipal Conflict of Interest Act* and investigate complaints or initiate an investigation of suspected violations of the Act. If the Integrity Commissioner determines that a violation has occurred, the Integrity Commissioner may apply to a judge for determination of the questions of whether the member has contravened sections 5, 5.1 or 5.2 of the Act.

(E) Confidentiality

- Section 17.44** A complaint will be processed in compliance with the confidentiality requirements in sections 223.5 and 223.6 of the *Municipal Act, 2001*, which are summarized in the following subsections.
- Section 17.45** The Integrity Commissioner and every person acting under her or his instructions shall preserve secrecy with respect to all matters that come to his or her knowledge in the course of any investigation except as required by law in a criminal proceeding.
- Section 17.46** All reports from the Integrity Commissioner to the Board will be made available to the public.
- Section 17.47** Any references by the Integrity Commissioner in a semi-annual or other periodic report to a complaint or an investigation shall not disclose confidential information that could identify a person concerned.
- Section 17.48** The Integrity Commissioner in a report to the Board on whether a member has violated the Code shall only disclose such matters as in the Integrity Commissioner's opinion are necessary for the purposes of the report.

Board of Management Report

Subject: Procurement of Goods and Services and Disposal of Assets Policy

Overview:

- This report outlines the proposed amendments to the Procurement of Goods and Services and Disposal of Assets Policy enacted through By-Law No.2A-2023 on March 2, 2023.
- Overall policy updates are proposed to ensure the ongoing continual improvement of this Board policy, including administrative updates to clarify wording and additional sections related to exclusion of bidders due to poor performance and litigation, as well the requirements related to performance evaluation process.

Recommendation

That the attached By-Law (Appendix 'A') be **INTRODUCED** at the Lake Huron Primary Water Supply System Board of Management meeting held on December 7, 2023 to amend By-law No. 2A-2023, as amended, being "A by-law to establish the policy for the procurement of good and services and disposal of assets, as required under section 270(2) of the *Municipal Act, 2001*", by deleting the entire policy and replacing it with the new policy (Appendix 'A'), to update the policy.

Previous and Related Reports

March 2, 2023 Procurement of Goods and Services and Disposal of Assets Policy

Background

The Board of Management (Board) for the Lake Huron Water Supply System was established by Transfer Order (Order) issued by the Minister of the Environment of the province of Ontario effective September 15, 2000, pursuant to the *Municipal Water and Sewage Systems Transfer Act, 1997*. The Order establishes the Board's authority to, among other things, enact policies and enter into agreements related to the Lake Huron Water Supply System. In March 2023, the Board enacted the Procurement of Goods and Services and Disposal of Assets Policy through By-Law No.2A-2023. The policy ensures the water utility receives the best overall value for goods and services through a fair, transparent and competitive bidding process.

Discussion

The Procurement of Goods and Services and Disposal of Assets Policy was first introduced and passed as a new by-law by the Huron Board at the March 2, 2023 meeting. Since its introduction, Board staff have tracked various proposed updates, clarifications and corrections to the policy to ensure its continual improvement. The various updates are summarized below:

- All references to 'Purchasing and Supply' have been changed to 'Procurement and Supply' and all references to 'Manager, Purchasing and Supply' have been changed to 'Senior Manager, Procurement and Supply' to reflect the related changes to naming conventions by the Administering Municipality.
- Section 3: Definitions - definitions were added for several items to support the subsequent references to these terms throughout the policy.
- Sections 4.8, 4.9, 4.10, 4.11 and 4.12 – minor wording changes to provide further clarity for these various types of bidding opportunities.
- Section 4.13 – minor wording changes and addition of reference to Group Procurement Organization (GPO), noting that a GPO is a purchasing organization that is created to leverage the purchasing power of a group of entities to obtain discounts from vendors and leverage existing public procurement processes. (e.g., Elgin Middlesex Oxford Purchasing Cooperative, Ontario Education Collaborative Marketplace).
- Sections 4.14 – minor edits to clarify wording.
- Section 4.17.1 – Exclusion of Bidders Due to Poor Performance – section added to ensure the policy is properly aligned with the standard terms and conditions used for bidding opportunities, which subsequently forms part of the agreement/contract.
- Section 4.17.2 – Exclusion of Bidders in Litigation and Disputes or Appeals of Contract Awards – section added to ensure the policy is properly aligned with the standard terms and conditions used for bidding opportunities, which subsequently forms part of the agreement/contract.
- Section 4.18 – minor edits to clarify wording.
- Section 4.18.4 – Performance Evaluation - section added to ensure consistency with procurement practices to ensure the best overall value.
- 4.20.7 – minor edits to clarify applicable trade agreements.

Future updates to the Procurement of Goods and Services and Disposal of Assets Policy will be monitored by Board staff, and brought to the Board, as needed to support the continual improvement of the policy.



Conclusion

The proposed updates to the Procurement of Goods and Services and Disposal of Assets Policy enacted through By-law (By-Law No.2A-2023) improve and enhance this policy and its application by Board staff in the procurement of new goods and services, to ensure the overall best value for the Lake Huron Primary Water Supply System.

Prepared by: Marcy McKillop, P.Eng.
Environmental Service Engineer, Regional Water

Billy Haklander, P.Eng., LL.M
Senior Manager, Capital Programs, Regional Water

Submitted by: Andrew J. Henry, P.Eng.,
Director, Regional Water

Recommended by: Kelly Scherr, P.Eng., MBA, FEC
Chief Administrative Officer

Attachments: Appendix A - Proposed By-law No.2A-2023(a)
Schedule 'A' - Procurement of Goods and Services and Disposal of
Assets Policy

Appendix A - Proposed By-Law No.2A-2023(a)

A By-law to amend By-law No.2A-2023, as amended, being “a policy for the procurement of goods and services and the disposal of assets, as required under section 270(1) of the *Municipal Act, 2001*”, by deleting and replacing Schedule “A” – “Procurement of Goods and Services and Disposal of Assets Policy”.

WHEREAS the Joint Board of Management for the Lake Huron Water Supply System was established by Transfer Order Lake Huron Area #W1/1998, effective September 15, 2000, pursuant to the *Municipal Water and Sewage Systems Transfer Act, 1997*;

AND WHEREAS section 5(3) of the Municipal Act, 2002 S.O. 2001, c.25, as amended, provides that a municipal power shall be exercised by by-law;

AND WHEREAS section 270(1) of the Municipal Act, 2001 provides that a municipality and/or local board adopt and maintain a policy with respect to the procurement of goods and services;

AND WHEREAS the Board of Management for the Lake Huron Water Supply System wishes to amend By-law No.2A-2023, as amended, being “A by-law to establish a policy for the procurement of goods and services and disposal of assets”, by deleting and replacing Schedule ‘A’ – “Procurement of Goods and Services and Disposal of Assets Policy”;

NOW THEREFORE the Board of Management for the Lake Huron Water Supply System enacts as follows:

1. By-law No.2A-2023, as amended, being “A by-law to establish a policy for the procurement of goods and services and disposal of assets”, by deleting Schedule ‘A’ – “Procurement of Goods and Services and Disposal of Assets Policy” to the By-law in its entirety and by replacing with a new Schedule “A”, attached as Schedule “A” to this by-law.
2. This by-law shall come into force and effect on the day it passed subject to the provisions of PART VI.1 of the *Municipal Act, 2021*.

PASSED in Open session on December 7, 2023 subject to the provisions of PART VI.1 of the *Municipal Act, 2021*.



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Meeting Date: December, 7, 2023

File No.:

First Reading – December 7, 2023

Second Reading – December 7, 2023

Third Reading – December 7, 2023



By-Law No.2A-2023 – Schedule ‘A’

Procurement of Goods and Services and Disposal of Assets Policy

Approved: March 2, 2023

Revised:

Legislative History: Enacted by By-Law 2A-2023 (March 2, 2023), Amended by By-Law 2A-2023 (December 7, 2023)

Last Reviewed Date: October 27, 2023

Policy Lead: Director, Regional Water

1 Purpose

This policy outlines the processes to be followed in order to obtain the best value when purchasing goods, contracting for services, or disposing of assets for the Lake Huron Water Supply System.

2 Applicability

Procurement activities for the Lake Huron Water Supply System shall be subject to all applicable Board policies and by-laws, any specific provisions of the *Municipal Act*, and all other applicable Federal and Provincial legislation.

Services provided by the Administering Municipality as required and as requested by the Board are excluded from this Policy.

3 Definitions

In this Policy, unless a contrary intention appears,

Acting – shall mean the formal delegation of authority by the person in the position of authority to the person acting in that role on a temporary basis.

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

Administering Municipality – shall mean the Corporation of the City of London as outlined in the Transfer Order and as amended from time to time by the Board.

Agreement – shall mean a formal written legal agreement or contract for the supply of goods, services, equipment or construction.

Award – shall mean a bid is formally accepted by Huron and has obtained the required approval as defined in Section 4.7.5 and [Schedule “A”](#). An award may be

executed by the issuance of a Purchase Order, Contract Record or formal Agreement.

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

Bid – shall mean a response to a competitive bid issued by Huron.

Bidder – shall mean a person, corporation or other entity that responds, or intends to respond to a competitive bid.

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

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

Board of Management (and/or 'Board') – shall mean the Board of Management for the Lake Huron Water Supply System as established under the *Municipal Water and Sewage Systems Transfer Act, 1997* and pursuant to Transfer Order Lake Huron Area #W1/1998 dated effective September 15, 2000.

Board Member – shall mean a member of the Board of Management as appointed in accordance with the Appointment of Board Members Bylaw.

Canadian Free Trade Agreement (CFTA) – shall mean the Canadian intergovernmental trade agreement signed by Canadian Ministers that entered into force on July 1st, 2017.

Certificate of Clearance – shall mean certificate issued by an authorized official of the Workplace Safety and Insurance Board certifying that the Board waives its rights under Subsection 141(10) of the *Workplace Safety and Insurance Act, R.S.O. 1997*, as amended.

Chief Administrative Officer – shall mean the person appointed as the Chief Administrative Officer in accordance with the Appointment of the Chief Administrative Officer Bylaw.

Competitive Bid – shall mean a REOI, RFI, RFQual, RFP, IRFQ, RFQ or RFT as further defined in this section.

Comprehensive Economic and Trade Agreement (CETA) – shall mean the free-trade agreement between Canada and the European Union and its member states.

Consultant – shall mean an external subject matter expert that provides advisory services and/or direction to Huron when it requires competency and/or capacity for a particular procurement that is not available in-house.

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

Conflict of Interest – shall mean a situation in which the personal interests of the Director of Regional Water and/or Regional Water staff come into conflict, or appear to come into conflict, with the interests of Huron.

Contract Record – shall mean a document which summarizes the goods and/or services to be purchased.

Declaration Respecting Workers' Compensation Act, R.S.O.

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

Delegate - shall mean a person who has been delegated approval authority by a position with authority under this Policy (Section 4.7.7) and/or pursuant to the Delegation of Powers and Duties Policy.

Delegation of Approval Authority - shall mean the formal delegation of authority to perform a specific task or approval by a person in a position with authority under this Policy (Section 4.7.7) and/or pursuant to the Delegation of Powers and Duties Policy, resulting in a 'delegate'.

Delegation of Approval Authority List - shall mean a list prepared by the Director of Regional Water granting the formal delegation of authority to perform a task or approval (Section 4.7.7).

Director of Regional Water – shall mean the Director of Regional Water of the Regional Water division of the City of London seconded to Huron for the purpose of administration, management, and oversight of Huron.

Dispute Committee - shall mean a committee comprised of Director of Regional Water (or delegate) and the Chief Administrative Officer (or delegate).

Emergency – shall mean a situation or an impending situation that constitutes a danger that could result in serious harm to persons or substantial damage to property or the significant impairment of water quality and quantity and that is caused by the forces of nature, a disease or other health risk, an accident, or an act whether intentional or otherwise.

Employee-Employer Relationship – shall mean a worker agrees to work for Huron, on a full-time or part-time basis, for a specified or indeterminate period of time, in return for wages or a salary. Huron has the right to decide where, when and how the work is to be done.

Executed Agreement – shall mean a formal agreement, either incorporated in the bid documents or prepared by Huron or its agents, executed by the successful bidder and Huron.

Goods and/or Services – shall mean supplies, services, materials and equipment of every kind required to be used to carry out the operations of Huron.

Huron – shall mean the Lake Huron Water Supply System as established under the *Municipal Water and Sewage Systems Transfer Act*, 1997 and pursuant to Transfer Order Lake Huron Area #W1/1998 dated effective September 15, 2000 and shall include the staff of the Regional Water division of the City of London seconded to Huron for the purpose of administration, management, and oversight of Huron.

Informal Request for Quotation (and/or 'IRFQ') – shall mean a request for prices on specific goods and/or services from selected suppliers which are submitted in writing, or as specified in the Informal Request for Quotation.

Insurance Documents – shall mean official original documents issued by an insurance company acceptable to Huron and, preferably, licensed to operate by the Government of Canada or the Province of Ontario certifying that the bidder is insured in accordance with Huron's insurance requirements and completed on Huron standard insurance form(s); as contained in the competitive bid document or at the time of execution of an Agreement.

Irregular Result – shall mean as defined in Section 4.7.10.

Irregularities Contained in Bids – shall mean as defined in [Schedule "C"](#) and includes the appropriate response to those irregularities.

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

Labour and Material Bond – shall mean a bond issued by a surety company on Huron standard Form of Bond to ensure that the contractor will fulfill its obligations to its employees, subcontractors and suppliers and thereby protects Huron.

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

MEA-ACEC Client-Consultant Agreement – shall mean the Municipal Engineers Association (MEA)/ Association of Consulting Engineering Companies Ontario (ACEC) Client/Engineer Agreement for Professional Consulting Services template documents.

Obsolete – shall mean Huron assets that are no longer current or have no functional use due to being replaced by newer assets and still may have some economic value.

Pecuniary Interest – shall mean the opportunity, directly or indirectly, to profit or share in any profit derived from a competitive bid or agreement.

Performance Bond – shall mean a bond issued by a surety company on Huron standard Form of Bond executed in connection with a contract and which secures the performance and fulfillment of the undertakings, covenants, terms, conditions and agreements contained in the contracts. These may also be in the form of ‘renewable performance bonds’.

Procurement Official – shall mean a person designated for the purpose of undertaking a Competitive Bid process for goods and services on behalf of Huron in accordance with this Policy, including but not limited to a Regional Water employee, and/or an employee of the Procurement and Supply Team of the Administering Municipality.

Professional Consulting Services – shall mean a consulting firm, engineer or architect providing professional knowledge or design or technical expertise.

Proponent – shall mean the respondent to a Request for Proposal (RFP).

Purchase Order – shall mean the standard procurement document issued by Huron, or the Administering Municipality on behalf of Huron, to formalize a purchasing transaction with a supplier.

Purchase Requisition – shall mean a duly authorized written or electronically produced request in an approved format to obtain goods or services.

Purchasing Card – shall mean a credit card provided by the Administering Municipality to a Regional Water employee and its use is bound by the provisions of

this Policy and/or the Administering Municipality's Procurement of Goods and Services Policy.

Regional Water – shall mean the Regional Water division of the City of London seconded to Huron for the purpose of administration, management, and oversight of Huron, including staff assigned to the Regional Water division.

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

Request for Information (and/or 'RFI') – shall mean a general market research tool to determine which products and services are available, scope out business requirements, and/or estimate project costs which may be used prior to issuing another type of competitive bid.

Request for Proposal (and/or 'RFP') – shall mean a process where a need is identified, but the method by which it will be achieved is not prescribed at the outset. This process allows prospective suppliers and bidders to propose solutions or methods to arrive at the desired result.

Request for Qualifications (and/or 'RFQUAL') – shall mean a request for a list of qualified suppliers and firms who have an interest in providing services to Huron, typically through a two-stage process.

Request for Quotation (and/or 'RFQ') – shall mean a request for prices on specific goods and/or services as specified in the Request for Quotation.

Request for Tender (and/or 'RFT') – shall mean a request for sealed bids which contain an offer in writing to execute some specified services, or to supply certain specific goods, at a certain price, in response to a publicly advertised request for bids.

Scrap – shall mean Huron assets that no longer have the ability to function for their original design in their current state and have minimal economic value other than primarily for recycling value.

Sealed Bid – shall mean a formal sealed response received as a part of a competitive bid.

Single Source – shall mean that there is more than one source of supply in the open market, but only one source is recommended due to predetermined and approved specifications. Further qualifications appear in the definition in Section 14.12.4.

Sole Source – shall mean that the goods and/or services are available from only one supplier. Further qualifications appear in the definition in Section 14.12.3.

Substantive Objection – shall mean an unsuccessful bidder request moving to the third stage of dispute resolution as prescribed in Section 4.2.6.

Supplier – shall mean any individual or organization providing goods or services to Huron including but not limited to contractors, consultants, suppliers, service organizations etc.

Surplus – shall mean Huron assets that exceed the portion that is utilized by Huron, may be current, may have functional use and still have some economic value.

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

Transfer Order – shall mean Transfer Order Lake Huron Area #W1/1998 dated effective September 15, 2000, issued by the Minister of the Environment pursuant to the *Municipal Water and Sewage Systems Transfer Act, 1997*.

Triggering Event – shall mean an occurrence resulting from an unforeseen action or consequence of an unforeseen event, which must be remedied on a time sensitive basis to avoid a material financial risk to Huron or serious or prolonged risk to persons or property.

Unsolicited Proposal – shall mean a written application for a new or innovative idea submitted to the LHPWSS on the initiative of the offeror for the purpose of obtaining a contract.

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

4 The Policy

4.1 Procurement Goals and Objectives

4.1.1 This Policy outlines the processes to be followed in order to obtain the best value when purchasing goods, contracting for services, or disposing of assets having monetary value for Huron.

4.1.2 The guiding principle is that procurement decisions will be made using a competitive process that is open, transparent and fair, and the disposal of Huron owned assets be undertaken with the full knowledge of the Board.

- 4.1.3 Huron encourages innovation and the use of appropriate technology which meets Huron specifications and industry standards in order to ensure the utilization of the most efficient and effective procurement processes and practices.
- 4.1.4 Huron will consider the total costs including, but not limited to, the cost of acquisition, operation, training, maintenance, quality, warranty, payment terms, disposal value and disposal costs in evaluating competitive bids from responsive and responsible bidders. Where costs are submitted for more than one year, the net present value of the annual costs will be used to evaluate the costs at a discount value.
- 4.1.5 Huron is committed to maximizing sustainability benefits by engaging with the public marketplace and increasing the efficiency of procurement procedures and practices.

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

For greater clarity, the *Sustainable Purchasing* program of the City of London will be used as a guide, and undertaken in consideration with Huron's Environmental Management System and Quality Management System.

4.2 General Provisions

- 4.2.1 Unless otherwise provided in accordance with this Policy, Huron's Director of Regional Water shall act for Huron for the purchase and disposal of all goods and/or services and shall be responsible for obtaining, providing, or securing advice necessary for such purchases and/or disposals in accordance with the method of purchase authorized by this Policy.
- 4.2.2 No purchase of goods and/or services shall be authorized unless it is in compliance with this Policy. Goods and/or services that are obtained without following the provisions of this Policy will not be accepted, and any invoices received may not be processed for payment.
- 4.2.3 Unless otherwise provided in accordance with this Policy, the purchase of all goods and/or services shall be authorized in accordance with the provisions of [Schedule "A"](#) to this Policy.
- 4.2.4 Requisitions or purchase orders shall not be arbitrarily structured to alter the relationship of the price to the preauthorized expenditure limit.
- 4.2.5 The procedures prescribed in this Policy shall be followed to make an award or to make a recommendation for an award to the Board.

4.2.6 Huron recognizes that mistakes and misunderstandings may occur; bidders may feel aggrieved and may seek to dispute the recommendation of an award of a contract. To maintain the integrity of the process, bidders who believe they have been treated unfairly can make this known by contacting the Director of Regional Water prior to the award of the contract. The bidder must file the formal dispute for an appeal in writing within two (2) business days of notification to the bidder by Huron that their bid is not acceptable and request a hearing meeting with the Director of Regional Water (or delegate). This meeting must be held within seven (7) business days of notification. If the bidder disagrees with the decision of the hearing meeting the next step is to formally appeal to the Board in writing within seven (7) business days. The Board will hear the appeal and make a determination regarding the dispute. The Board's decision on the dispute is final.

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

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

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

4.2.7 This Policy will be reviewed and revised on a periodic basis. It is anticipated that reviews will be conducted every five (5) years or more frequently as required.

4.2.8 Good and/or services NOT subject to this Policy are listed in [Schedule "B"](#). The final determination of whether goods and/or services qualify for exemption under [Schedule "B"](#) shall be determined by the Director of Regional Water.

- 4.2.9 In accordance with Ontario Regulation 191/11 under the *Accessibility for Ontarians with Disabilities Act, 2005* (AODA) as amended, Huron shall consider accessibility criteria and features when procuring or acquiring goods, services, or facilities, except where it is not practicable to do so. In which case, an explanation will be provided upon request.
- 4.2.10 No purchase of goods and services associated with computer software, hardware and/or telecommunications equipment will be authorized without the completion of appropriate cybersecurity and information technology reviews and the authorization of the Director of Regional Water.
- 4.2.11 When Grants or Stimulus Funding are received by Huron, the use of that funding for procurements is subject to this Policy, notwithstanding any specific conditions placed by the provider.
- 4.2.12 Where any matter or circumstance occurs not provided for by this Policy, the procurement and disposal policies and procedures of the Administering Municipality may be used as a guide with the necessary modifications in the circumstances.

4.3 Responsibilities

4.3.1 General Responsibilities

All persons with Approval Authority shall follow the guidelines as set out in [Schedule 'D'](#), as well as Section 4.4 below.

Procurement activities shall be subject to all applicable Huron policies and by-laws, any specific provisions of the *Municipal Act*, and all other applicable Federal and Provincial legislation.

Failure to adhere to the requirements outlined in this Policy may lead to disciplinary action up to and including termination of employment.

No provision of this Policy precludes the Director of Regional Water with the concurrence of the Chief Administrative Officer from recommending an award to the Board where:

- i. In the opinion of the Director of Regional Water, it is in the best interest of Huron to do so; or,
- ii. It is a matter of procurement procedure and, in the opinion of the Director of Regional Water, is in the best interest of Huron to do so.

4.3.2 Chief Administrative Officer

The Chief Administrative Officer has the authority to instruct the Director of Regional Water not to award contracts and to submit recommendations to the

Board for approval and may provide additional restrictions concerning procurement where such action is considered necessary and in the best interest of Huron.

4.3.3 Director of Regional Water

- a. Has responsibility for all procurement activities on behalf of Huron and is accountable for achieving best value while following the Procurement of Goods and Services Policy;
- b. Is responsible for maintaining ownership over this Policy and its integrity;
- c. Has the authority to delegate approval authority to staff at the appropriate levels (Section 4.7.7);
- d. The Director of Regional Water has the authority to award contracts in the circumstances specified in this Policy provided that the delegated power is exercised within the limits prescribed in [Schedule "A"](#) and the requirements of this Policy are met; and,
- e. When the Director of Regional Water is of the opinion that a Triggering Event has occurred, the Director of Regional Water may authorize the purchase of such goods and/or services as is considered necessary to remedy the situation without regard to the requirement for a competitive bid and may approve the necessary contract amendment. The relevant details surrounding the Triggering Event shall be included in a report and submitted to the Board as soon as reasonably possible.

4.3.4 Board

Despite any other provision of this Policy, the following contracts are subject to Board approval:

- a. Any contract requiring approval from the Ontario Land Tribunal;
- b. Any contract prescribed by Statute to be made by the Board;
- c. Where a recommendation is being made to amend the total value of a contract in excess of the original bid (plus contingency), and;
 - i. it is an amount greater than \$100,000 or 5%; or
 - ii. in the opinion of the Chief Administrative Officer, funds are not available for the additional expenditure.
- d. Where a Substantive Objection, emanating from the competitive bid has been filed with the Director of Regional Water prior to award of the contract;
- e. Where there is an Irregular Result (see Section 4.7.10); and,
- f. Where authority to approve has not been expressly delegated.

4.4 Conflict of Interest

- 4.4.1 No Board Member or employee of Regional Water or the Administering Municipality shall have a pecuniary or controlling interest either direct or indirect in any competitive bid or contract for the supply of goods or services to Huron, unless such pecuniary interest is disclosed by the contractor, bidder or person submitting a quotation, as the case may be, or unless such pecuniary interest would be exempt under the *Municipal Conflict of Interest Act*.
- 4.4.2 Competitive bid documents shall include a section that requires and provides for the disclosure of any pecuniary interest prior to submission of the bid. Should a conflict of interest arise after the award of a contract, the conflict shall immediately be disclosed in writing to the Director of Regional Water. Further, all competitive bid documents and agreements shall provide that in the event that a contract is awarded to a person who has not, during the bidding or contracting process, disclosed the pecuniary interest of a Board member, Regional Water employee, or employee of the Administering Municipality in the contract, the contract may be cancelled at any time by Huron in its entire discretion without damages or penalty.
- 4.4.3 In this section, 'controlling interest' means the interest that a person has in a corporation when the person beneficially owns, directly or indirectly, or exercises control or direction over, equity shares of the corporation carrying more than ten percent (10%) of the voting rights attached to all equity shares of the corporation for the time being outstanding.
- 4.4.4 For the purposes of this section, a person has an indirect pecuniary interest in any competitive bid or agreement entered into by a corporation, if:
- a. The person or his or her nominee is a shareholder in or a director or senior officer of a corporation that does not offer in securities to the public; or
 - b. Has a controlling interest in or is a director or senior officer of a corporation that offers securities to the public.
- 4.4.5 For the purposes of this section, a Board Member, Regional Water employee or employee of the Administering Municipality has an indirect pecuniary interest if the person is a partner of a person or is in the employment of a person or body that has entered into a tender, proposal, quotation or contract with Huron.

4.4.6 For the purposes of this section, the pecuniary interest in a Tender, Proposal, Quotation or contract of a parent or spouse or any child of a Board Member, Regional Water Employee, or employee of the Administering Municipality shall, if known to the person, be deemed to be also the pecuniary interest of the Board Member, Regional Water employee or employee of the Administering Municipality as the case may be.

4.5 Prohibitions

4.5.1 Division of Contracts

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

4.5.2 Interference in the Procurement Process

- a. Board Members and Regional Water employees shall not knowingly cause or permit anything to be done or communicated to anyone in a manner which is likely to cause any potential supplier to have an unfair advantage or disadvantage in obtaining a contract for the supply of goods and/or services to Huron. This also includes a contract with any other municipality, local board, public body or government agency involved in the purchase of goods and/or services either jointly or in cooperation with Huron.
- b. Board Members shall separate themselves from the procurement process and have no involvement whatsoever in specific procurements. Board Members should not see any documents or receive any information related to a particular procurement while the procurement process is ongoing. Board Members who receive inquiries from suppliers related to any specific procurement shall immediately direct those inquiries to the Director of Regional Water or the Chief Administrative Officer.
- c. The only exception to (b) above relates to selection of an integrity commissioner or an RFP whereby Board Members are specifically part of the evaluation team for the RFP as approved by resolution of the Board.

4.5.3 Official Point of Purchasing Contact and Lobbying Prohibition

- a. Huron is committed to the highest standards of integrity with respect to the purchase of goods and/or services and managing the processes by which goods and/or services are acquired. The official point of purchasing contact shall be the Procurement Official identified in the competitive bid documents. Should it be necessary or desirable to have a contact person to respond to technical issues that person shall be named in the competitive bid documents. All communications will be made by these individuals and during

the procurement process, no bidder or person acting on behalf of the bidder or group of bidders shall contact any Board Member, or consultant with any employee of Regional Water or Huron's operating authority to attempt to seek information or to influence the award of the contract. Any activity designed to influence the decision process, including, but not limited to, contacting any Board Member, or consultant with any employee of Regional Water or Huron's operating authority for such purposes as meetings of introduction, social events, meals or meetings related to the selection process, shall result in disqualification of the bidder for the project to which the influential activity is deemed to be directed.

- b. Notwithstanding the foregoing, this prohibition does not apply to meetings specifically scheduled for presentations or negotiations related to the competitive bid. Any bidder found to be in breach of this Policy shall be subject to immediate disqualification from the procurement process and may be prohibited from future opportunities at the discretion of the Board.
- c. In addition, no bidder who has been awarded the contract shall engage in any contact or activities in an attempt to influence any Board Member, or consultant with any employee of Regional Water or Huron's operating authority with respect to the purchase of additional enhancements, options, or modules. However, a contractor may communicate with the appropriate Procurement Official identified in the competitive bid documents or the Director of Regional Water for purposes of administration of the contract during the term of the contract.
- d. The determination of what constitutes influential activity is in the sole discretion of the Director of Regional Water, acting reasonably, and not subject to appeal.
- e. Contract award decisions shall be based on clear, transparent, and objective criteria that is applied free from political considerations or political interference.

4.6 Procurement Documentation

- 4.6.1 In order to maintain consistency in Competitive Bid processes, Regional Water shall maintain guidelines on procurement policies and procedures and on the structure, format and general content of procurement documentation. Without limiting the foregoing, the guidelines of the Administering Municipality may be used.
- 4.6.2 The Procurement Official shall review proposed procurement documentation for a Competitive Bid to ensure clarity, reasonableness, quality and consistency with guidelines, and shall advise Regional Water of suggested improvements.

- 4.6.3 Procurement documentation shall avoid use of specific products or brand names.
- 4.6.4 Notwithstanding Section 4.6.3, the Director of Regional Water (or delegate) may specify a specific product, brand name or approved equal for essential functionality purposes (with consideration for operating and maintenance costs) to avoid unacceptable risk or for some other valid purpose. In such instances, the Director of Regional Water (or delegate) shall oversee the procurement to achieve a competitive situation whenever possible.
- 4.6.5 The use of standards in procurement documentation that have been certified, evaluated, qualified, registered or verified by independent nationally or internationally recognized and industry-supported organizations such as, but not limited to, the Standards Council of Canada, shall be preferred.
- 4.6.6 Director of Regional Water (or delegate) shall:
- a. Give consideration to Value Analysis, Sustainable Purchasing and supplier code of conduct;
 - b. Ensure that adequate Value Analysis comparisons are conducted to provide assurance that the specification(s) will provide best value;
 - c. Forward the Value Analysis to Procurement and Supply for documentation in the procurement file; and
 - d. Ensure specification(s) are set to allow for an open competitive process.
- 4.6.7 All substantive changes to standard clauses in Competitive Bid documents and standard agreements shall be reviewed by Huron's solicitor (or delegate).
- 4.6.8 Unless otherwise noted in this Policy, the Director of Regional Water (or delegate) shall issue Competitive Bid documents for goods and/or services. The Procurement Official shall give notice of the issuance of a Competitive Bid electronically via the internet as well as any other means as appropriate.

4.7 Approval Authority and Reporting Requirements

- 4.7.1 Any person having delegated approval authority pursuant to this Policy shall ensure that an approved budget, as described in Section 4.16 of this Policy, exists for the proposed procurement and that such procurement does not violate any Huron policies or any applicable law. Any such procurement shall also satisfy any applicable audit and documentation requirements of Huron.

- 4.7.2 All applicable taxes, duties and shipping shall be excluded in determining the procurement limit of authorized delegates and the type of procurement process to be followed.
- 4.7.3 The dollar values identified in this section represent the annual estimated procurement value for a good and/or service to be procured. The annual estimated procurement value is the cumulative value spent over a twelve (12) month period for a particular good and/or service.
- 4.7.4 In the case of multi-year supply and/or service contracts, the preauthorized expenditure limit shall refer to the estimated annual expenditure under the contract.
- 4.7.5 The following body and persons shall have the respective approval authority as set out below (see summary in [Schedule "A"](#)). All dollar values are based on annual amounts and must be within pre-approved budgeted limits.
- a. **Board** must approve the following awards:
- i. RFP or RFT greater than the CETA threshold for goods, services or construction, as amended;
 - ii. RFP or RFT is greater than \$100,000 and having an Irregular Result (see Section 4.7.10); and,
 - iii. Sole Source or Single Source greater than \$100,000.
- b. **Chief Administrative Officer** is authorized to approve the following awards:
- i. Professional Consulting Services greater than \$100,000 and less than the CETA threshold for services, as amended.
- c. **Director of Regional Water and the Chief Administrative Officer** (jointly) are authorized to approve the following awards:
- i. Sole Source or Single Source up to \$100,000;
 - ii. RFP or RFT up to \$100,000 and having an Irregular Result (see Section 4.7.10);
 - iii. RFP or RFT of \$50,000 up to \$100,000 and in excess of the Board approved budget; and,
 - iv. RFP or RFT of \$100,000 up to the CETA threshold for goods, services or construction and not exceeding the Board approved budget.
- d. **Director of Regional Water** is authorized to approve the following awards
- i. Informal quotations up to \$50,000 and in excess of the Board approved budget; and,
 - ii. Professional Consulting Services not exceeding \$100,000.

- e. **Director of Regional Water** or any Regional Water employee exercising delegated authority approval are authorized to approve the following awards:
 - i. Informal quotations up to \$50,000 not exceeding the Board approved budget; and,
 - ii. RFQ or RFP up to \$100,000 not exceeding the Board approved budget.

4.7.6 Section 4.7.5 approvals may be overridden in the case of an 'emergency' as defined in Section 4.13.2 of this Policy.

4.7.7 Delegation of Approval Authority

The method for the Director of Regional Water delegating approval authority is as follows:

- i. The Director of Regional Water shall prepare a 'delegation of approval authority list' for Regional Water;
 - ii. The list will provide evidence that the staff listed have been delegated approval authority by the Director of Regional Water;
 - iii. The list at minimum, shall include the staff person's name, title and approval limit, the list will also include any acting roles;
 - iv. The list shall be updated immediately upon any change in staff or position;
 - v. A copy of the list shall be sent to the Administering Municipality's Senior Manager, Procurement and Supply for reference each time there is a revision to the list;
 - vi. The Administering Municipality's Manager of Procurement and Supply will ensure the delegation of approval authority lists are available to Administering Municipality's staff as appropriate; and,
 - vii. The Administering Municipality's Procurement and Supply staff will review the list prior to completing tasks that require approval.
- 4.7.8 Only the Director of Regional Water may further delegate approval authority to their staff at the procurement values deemed appropriate. Regional Water staff that have been delegated approval authority from the Director of Regional Water to approve procurement shall have no authority to delegate this approval authority to any other person.
- 4.7.9 The Board may explicitly delegate further approval authority as it considers necessary from time to time, including but not limited to, any extended time periods which the Board does not meet.

4.7.10 Irregular Result

- a. The Director of Regional Water may approve a Competitive Bid up to \$50,000 where the value of the lowest compliant bid is in excess of the Board approved budget including any contingency allowance.
- b. The Director of Regional Water jointly with the Chief Administrative Officer may approve a Competitive Bid up to \$100,000 if any of the following conditions apply:
 - i. The value of the lowest compliant bid is in excess of the Board approved budget including any contingency allowance;
 - ii. The specifications of a competitive bid cannot be met by two (2) or more suppliers;
 - iii. The award is not being made to a compliant bidder(s) offering the Best Value to Huron; or,
 - iv. Where a Substantive Objection has been filed prior to award of a Competitive Bid
- c. The Director of Regional Water and the Chief Administrative Officer shall submit a report to the Board and receive their approval for the award of a Competitive Bid greater than \$100,000 if any of the following conditions apply:
 - i. The value of the lowest compliant bid is in excess of the Board approved budget including any contingency allowance;
 - ii. The specifications of a competitive bid cannot be met by two (2) or more suppliers;
 - iii. The award is not being made to a compliant bidder(s) offering the Best Value to Huron; or,
 - iv. Where a Substantive Objection has been filed prior to award of a Competitive Bid.

4.7.11 Reporting to the Board

- a. On an annual basis, the Director of Regional Water shall provide a summary report to the Board outlining each occurrence where delegated approval authority was used to award a Contract in excess of \$15,000, amend or extend a Contract, and/or amend Board approved budgets in accordance with this Policy.
- b. On an annual basis, the Director of Regional Water shall provide a summary report to the Board outlining each occurrence where delegated approval authority was used to dispose of Huron assets in accordance with this Policy.

4.8 Low Dollar Value Procurements (up to \$15,000) as per [Schedule 'A'](#)

- 4.8.1 Procurements up to \$15,000 shall be considered low dollar value procurements.
- 4.8.2 A Purchasing Card provided by the Administering Municipality may be used for low dollar value procurements provided that the procurement complies with the Administering Municipality's Procurement of Goods and Services Policy, as applicable.
- 4.8.3 The Director of Regional Water may delegate approval authority to Regional Water staff for low dollar value procurements and it is their responsibility to ensure that this Policy is adhered to.
- 4.8.4 All information on low dollar value procurements must be documented and maintained on file.
- 4.8.5 Huron's standard insurance form(s) must be completed by vendors for all approved low dollar procurements as appropriate, and maintained on file throughout the duration of the period that the vendor provides goods or services.
- 4.8.6 WSIB Certificates of Clearance must be obtained from the vendor at the commencement of the project, and maintained on file throughout the duration of the period that the vendor provides goods or services, as appropriate.
- 4.8.7 Low dollar value procurements do not require an RFQ, RFP or RFT. Obtaining competitive quotes is considered a good business practice and should be obtained where reasonably practicable. An authorized Purchase Order is the preferred method.

4.9 Informal Request for Quotation (IRFQ) \$15,000 to \$50,000 – as per [Schedule 'A'](#)

- 4.9.1 Procurements greater than \$15,000 but not exceeding \$50,000 are eligible to be completed through an Informal Quotation process. The Director of Regional Water or any employee exercising delegated authority is authorized to award the contract.
- 4.9.2 All Informal Quotations shall be in accordance with the Procurement of Goods and Services Policy.
- 4.9.3 Informal Quotations shall be obtained in the following manner:
 - a. Three (3) written (use of the electronic bidding system is encouraged) bids obtained from three (3) separate potential suppliers;

- b. A 'No Bid' response shall not be considered as a valid bid;
 - c. All suppliers shall receive the same informal quotation written information;
 - d. The informal quotation shall be awarded to the lowest compliant bid; and
 - e. Documentation on all bids, including but not limited to the prospective bidders list, bid document, bid responses and decision-making rationale shall be retained in the project files in for a minimum of two (2) years and in accordance with the Record Retention Policy of Huron.
- 4.9.4 Regional Water staff are encouraged to seek at least three (3) bids to ensure a more competitive process. If staff has exhausted all efforts to obtain three (3) bids and can support this with documented evidence under Section 4.9.3.e. above, a minimum of two (2) written bids is acceptable.
- 4.9.5 Regional Water staff may seek the assistance of the Administering Municipality's Procurement and Supply division is obtaining Informal Quotations. Regional Water staff shall be responsible to review the competitive bid and verify that all terms, conditions and specifications of the bid are met.
- 4.9.6 Huron's standard insurance form(s) must be completed by vendors for all approved procurements as appropriate, and maintained on file throughout the duration of the period that the vendor provides goods or services.
- 4.9.7 WSIB Certificates of Clearance must be obtained from the vendor at the commencement of the project, and maintained on file throughout the duration of the period that the vendor provides goods or services, as appropriate.
- 4.9.8 An authorized Purchase Requisition may be issued and shall include copies of the Bids received.
- 4.9.9 Huron reserves the right in its absolute discretion to accept or reject any submission.

4.10 Request for Quotation (RFQ) \$50,000 to \$100,000 – [as per Schedule 'A'](#)

- 4.10.1 RFQ procedures shall be used where:
- a. The item is greater than \$50,000 but not exceeding \$100,000;
 - b. The requirement can be fully defined; and,
 - c. Best value for Huron will be achieved by an award selection made on the basis of the total lifecycle cost that meets all terms, conditions and specifications.

- 4.10.2 The Director of Regional Water or any Regional Water employee exercising delegated authority approval may approve this award. Any approved procurement shall utilize standard Purchase Orders, contracts, or agreements, as appropriate.
- 4.10.3 Huron's standard insurance form(s) must be completed by vendors for all approved procurements as appropriate, and maintained on file throughout the duration of the period that the vendor provides goods or services.
- 4.10.4 WSIB Certificates of Clearance must be obtained from the vendor at the commencement of the project, and maintained on file throughout the duration of the period that the vendor provides goods or services, as appropriate.
- 4.10.5 The Director of Regional Water or any Regional Water employee exercising delegated authority approval shall submit a Purchase Request in writing containing the relevant specifications, budget authorization, approval authority and terms and conditions for the purchase of goods, services or construction.
- 4.10.6 Regional Water staff shall be responsible to review the competitive bid and verify that all terms, conditions and specifications of the bid are met.
- 4.10.7 Huron reserves the right in its absolute sole discretion to accept or reject any submission.

4.11 Request for Proposal (RFP) – as per [Schedule 'A'](#)

- 4.11.1 The RFP procedure shall be used where:
- a. The requirement is best described in a general performance specification;
 - b. Innovative solutions are sought; and,
 - c. To achieve best value, the award selection will be made on an evaluated point per item or other method involving a combination of mandatory and desirable requirements.
- 4.11.2 Awards under the RFP process require the following approval:
- a. Except in the case of an award for Professional Consulting Services or an Irregular Bid, the Director of Regional Water or any Regional Water employee exercising delegated authority approval may approve an RFP award for purchases up to \$100,000;
 - b. Except in the case of an award for Professional Consulting Services or an Irregular Bid, the Director of Regional Water and the Chief Administrative Officer must jointly approve an RFP award for purchases greater than \$100,000 up to the threshold value established under CETA; and,

- c. The Board must approve an RFP award for purchases greater than the threshold value established under CETA.
- 4.11.3 The RFP process is a competitive method of procurement that may or may not include supplier pre-qualification.
- 4.11.4 An RFI, REOI or RFQUAL may be issued in advance of a RFP to assist in the development of a more definitive set of terms and conditions, scope of work/service and the selection of qualified suppliers.
- 4.11.5 An RFI, REOI and RFQUAL shall follow the same award approvals as an RFP, if applicable.
- 4.11.6 Regional Water may maintain a list of suggested evaluation criteria for assistance in formulating an evaluation method for use in an RFP, or may use a list of suggested evaluation criteria from the Administering Municipality. This may include but not be limited to factors such as qualifications and experience, strategy, approach, methodology, scheduling and past performance, facilities, health and safety, equipment, pricing, life cycle costing, standardization of product, and aspects that would support sustainable procurement.
- 4.11.7 The Director of Regional Water or any Regional Water employee exercising delegated authority approval shall identify appropriate evaluation criteria from the list for use in an RFP but are not limited to criteria from the list. Cost will always be included as a factor, as best value includes but is not limited to quality and cost.
- 4.11.8 The Director of Regional Water or any Regional Water employee exercising delegated authority approval shall submit a written Purchase Request containing the relevant description, budget authorization, approval authority, terms of reference and evaluation criteria to be applied in evaluating the proposals submitted.
- 4.11.9 A designated Procurement Official will be the lead in the RFP process. A selection committee will be formed with a minimum of three evaluators. The evaluators shall review all compliant proposals against the established criteria, reach consensus on the final rating results, and ensure that the final rating results with supporting documents, are kept in the procurement file. The Procurement and Supply representative may participate in the scoring of the proposals.
- 4.11.10 During the proposal process all communication with proponents shall be through the designated Procurement Official.

- 4.11.11 An evaluation committee will be formed with a minimum of three Regional Water Supply employees (evaluators). The evaluators shall review all compliant proposals against the established criteria, reach consensus on the final rating results, and ensure that the final rating results with supporting documents, are kept in the procurement file. The Procurement Official shall provide an evaluation summary of the procurement, as well as the evaluation committee's recommendation for award of contract to the proponent which meets all mandatory requirements and providing best value as stipulated in the RFP. The Procurement Official is responsible for documenting the determination of best value. The criteria and analysis to determine best value will be included (if applicable) in the report to the Board.
- 4.11.12 Reporting will not include financial summaries of bids as this information will remain confidential. Any disclosure of information shall be made by the appropriate officer in accordance with the provisions of the *Municipal Freedom of Information and Protection of Privacy Act*, R.S.O. 1990, as amended.
- 4.11.13 Unsuccessful proponents may, upon their request, attend a debriefing session with the Procurement Official and the evaluators to review their competitive bid. Any discussions relating to any submissions other than that of the proponent present will be strictly prohibited. This debriefing session is intended to provide general feedback regarding the proponent's rating on various criteria in order to allow the proponent to understand where future improvements might be available. Debriefings will not occur until after Board approval or administrative award by the applicable approval authority, outlined in Section 4.7, of the project in question.
- 4.11.14 Huron reserves the right in its absolute sole discretion to accept or reject any submission.

4.12 Request for Tender (RFT) Greater than \$100,000 – as per [Schedule 'A'](#)

4.12.1 RFT procedures shall be used where:

- a. The total cost is expected to be greater than \$100,000;
- b. The requirement can be fully defined; and,
- c. Best value for Huron can be achieved by an award selection made on the basis of the lowest bid that meets all terms, conditions and specifications.

4.12.2 Awards under the RFT process require the following approval:

- a. The Board must approve an RFT award for tenders greater than the threshold value established by CETA, or where sufficient funds are not available within the appropriate account;

- b. The Board must approve an RFT award for an Irregular Bid; and,
 - c. The Director of Regional Water and the Chief Administrative Officer must jointly approve an RFT Award up to the threshold value established by CETA and where there are sufficient funds available within the appropriate account.
- 4.12.3 The Director of Regional Water (or delegate) shall submit a purchase request in writing containing the relevant specifications, budget authorization, approval authority and terms and conditions for the purchase of goods, services or construction. Specifications included in the RFT documents may include certain product brands or models in order to facilitate standardization of selected portions Huron's inventory as per Section 4.6.4 of this Policy.
- 4.12.4 The Procurement Official shall be responsible for arranging for the public disclosure of bid submissions at the time and date specified by the bid call.
- 4.12.5 The Procurement Official shall provide a summary of the bids and recommend award of the contract to the lowest compliant bidder.
- 4.12.6 Huron reserves the right in its absolute sole discretion to accept or reject any submission.

4.13 Non-Competitive Purchases (Emergency, Sole Source, Single Source)

- 4.13.1 The requirement for a Competitive Bid process for the selection of a supplier for goods, services and construction (except for Emergencies – see Section 4.13.2) may be waived under the authority of the Chief Administrative Officer and replaced with direct negotiations by the Director of Regional Water (or Delegate) under the following circumstances:
- a. The procurement qualifies as a “Sole Source” as defined in Section 4.13.3; or,
 - b. The procurement qualifies as a ‘Single Source’ as defined in Section 4.13.4.

4.13.2 Procurement in Emergencies

For the purpose of this section, and in addition to Section 3, an “Emergency” shall mean an event or occurrence that in the opinion of the Chief Administrative Officer or the Director of Regional Water is deemed as an immediate threat to:

- Public health;
- The maintenance of essential Huron services; or,

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

In the event of an Emergency the Chief Administrative Officer or Director of Regional Water and their respective delegates, are authorized to enter into a purchase agreement utilizing the Emergency Reserve Fund as the source of finance without the requirement for a formal competitive process.

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

Where the procurement cost to mitigate the Emergency is anticipated to exceed \$50,000:

- i. A notification must be sent (e-mail is acceptable) to the Finance department of the Administering Municipality, copied to the Administering Municipality's Procurement and Supply division, requesting a project number for the Emergency. The notification must include an outline of the nature of the emergency (referencing this section of this Policy), estimated budget for the project, and primary contact;
- ii. A notification must be sent (e-mail is acceptable) to the Board notifying the Board Members of the nature of the emergency and that the Emergency provisions of this Policy have been used; and,

The steps taken to mitigate the Emergency must always be clearly documented regardless of amount, including documentation and accounting of all costs to manage the Emergency

Where the aggregate costs for the Emergency are in excess of \$50,000, the emergency procurement shall be reported at the next scheduled meeting of the Board.

4.13.3 Sole Source

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

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

4.13.4 Single Source

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

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

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

4.13.5 Sole Source and Single Source – Approval and Reporting

Awards which qualify to be considered as Single Source or Sole Source process require the following approval:

- i. The Director of Regional Water and the Chief Administrative Officer must jointly approve an award not exceeding \$100,000; or,
- ii. The Board must approve an award greater than \$100,000 unless otherwise permitted by this Policy.

For awards of sole source and single source, the rationale supporting the decision to approve the procurement must be clearly stated (referencing this section of this Policy).

4.14 Appointment of Professional Consulting Services

4.14.1 General

- a. Senior management staff will be involved in the selection process for Professional Consulting Services. Specifically, the Senior Manager of Capital Programs is to be involved with all projects, and Director of Regional Water for high-profile projects of increasing complexity or expense.
- b. Under no circumstances shall an extension or expansion of a consulting engagement preclude the required approvals. This includes splitting the project or scope of work into multiple phases or sections. The Board has sole authority to approve and award contracts greater than the CETA threshold for services, as amended.
- c. If a consulting engagement that was previously awarded administratively subsequently exceeds the CETA threshold for services, the Director of Regional Water shall prepare an information report for the Board providing a status update and requesting approval to proceed (if applicable).
- d. The Director of Regional Water shall be responsible for ensuring that a MEA-ACEC Client-Consultant Agreement is executed for engineering consulting assignments. Notwithstanding, if an alternative agreement is used for any consulting services, the agreement must be reviewed by the Board's Solicitor. The MEA-ACEC Client-Consulting Agreement or alternate consulting services Agreement must be executed by the Chief Administrative Officer and Board Chair, or their delegates.
- e. The Director of Regional Water shall be responsible for ensuring that appropriate insurance and WSIB documents are obtained and submitted to the Administering Municipality's Risk Management division and copies kept with the project file. Appropriate documents should be maintained throughout the duration of the project and kept with the project file.

- f. On an annual basis, the Director of Regional Water shall provide a summary report to the Board outlining each occurrence where Consulting Services were administratively awarded, or a Consulting Services agreement was amended or extended in accordance with this Policy.

4.14.2 Consulting Engineers, Architects, Landscape Architects and Environmental Consultants

The selection of Professional Consulting Services will follow the requirements of Section 4.14.1; and,

- a. Huron's appointment of Consulting Engineers, Architects, Landscape Architects and Environmental Consultants in this Policy is adapted from the National Best Practice for Consultant Selection and as described in more detail in the Administering Municipality's Grouped Consultant Selection Process.
- b. A list of pre-approved firms (Consulting Engineers, Architects, Landscape Architects and Environmental Consultants) that provide professional consulting services shall be established by the Director of Regional Water.
- c. Assignments for projects which have estimated fees of less than \$100,000 shall be awarded by the Director of Regional Water to listed candidate firms based on an evaluation of the firm's competency, expertise, costs, past performance on Huron projects, available capacity, and the size of their operation and the particulars of the work to be done.
- d. Assignments for projects which are more complex in nature but which are within the capability of firms included on the above-mentioned pre-approved list and have estimated fees between \$100,000 and the CETA threshold for goods and services limit, as amended, shall be assigned on the basis of a proposal submitted by a minimum of three (3) qualified firms from the list stating their approach to the proposed project and their experience and knowledge of projects of a similar nature. Grouped Consultant Selection process may be undertaken for more than one project if the projects are similar in nature, the consultants possess the skills necessary to undertake this type of work and efficiencies are realized by Huron. The Administering Municipality's Grouped Consultant Selection Process may be used as a guide in the process for undertaking grouped consultant selections.
- e. Except in the case of an Irregular Bid, Assignments for projects which have estimated fees between \$100,000 and the CETA threshold for goods and services, as amended, shall be awarded by the Chief Administrative Officer.
- f. Assignments for complex projects, or projects with estimated consulting fees greater than the CETA threshold for goods and services limit, as amended,

shall be awarded based on a two (2) stage process with the first stage being an open, publicly advertised expression of interest/pre-qualification stage (REOI/RFQUAL), and the second being a RFP of the short-listed firms, of which there shall be a minimum of three (3) qualified firms stating their approach to the proposed project and their experience and knowledge of projects similar in nature.

- g. The assignments of an Irregular Bid outlined in parts d) and any assignment outlined in f) above and their related budget shall be subject to the approval of the Board. Prior to award by the Board, Regional Water staff will negotiate with the recommended consultant to establish the estimated personnel costs and other charges required for the assignment. It is anticipated that an upset fee will be established for the first phase of the project as directed by the Director of Regional Water. Board approval will be for the entire project noting that the consultant shall obtain the approval of the Director of Regional Water to proceed with subsequent phases to upset limits as appropriate to the work within the limit of the budget.
- h. A consulting firm which has satisfactorily partially completed a project may be recommended for award of the balance of a project without competition subject to satisfying all financial, reporting and other conditions contained within this Policy. This should be to the financial advantage of Huron due to the fact that such a consultant has specific knowledge of the project and has undertaken work for which duplication would be required if another firm were to be selected.

4.14.3 Other Professional Consulting Services

The selection of Professional Consulting Services which are not included under Section 4.14.2 will follow the requirements of Section 4.14.1; and,

- a. Projects which have estimated fees of less than \$100,000 may be awarded by the Director of Regional Water under the following circumstances:
 - i. the project requires special knowledge, skills, expertise or experience; or,
 - ii. another organization is funding or substantially funding the project and has already selected a preferred firm and/or strict timelines have been placed on the funding; or,
 - iii. the confidential nature of the project is such that it would not be in the public interest to solicit competitive bids; or,
 - iv. the preferred firm has already been selected through a formal procurement process by another public body to provide same or similar services; or,

- v. the project requirement meets the definition of Sole Source, Section 4.13.3.
- b. The Director of Regional Water is responsible for detailing the rationale supporting their decision to award the recommended firm.
- c. Under this section, all professional consultant proposals must include, at minimum:
 - i. Schedule of fees;
 - ii. Methodology and timeline to complete project;
 - iii. Demonstrated experience and qualifications required to perform project; and,
 - iv. List of personnel who will be directly involved in the completion of the project.
- d. All requirements for Other Professional Consulting Services (section 4.14.3) not meeting the selection requirements of section 4.14.3(a) shall follow the RFP process outlined in Section 4.11

4.15 Blanket Purchase Contracts

A Blanket Purchase Contract established by the Administering Municipality's Procurement and Supply, in accordance with the Administering Municipality's Procurement of Goods and Services Policy, may be used when in the best interest of Huron.

4.16 Requirement for Approved Funds

- 4.16.1 The exercise of authority to award a contract is subject to the identification and availability of sufficient funds in appropriate accounts within Board approved budget for Huron.
- 4.16.2 Where goods and/or services are routinely purchased or leased on a multi-year basis, the exercise of authority to award a contract is subject to:
 - a. The identification and availability of sufficient funds in appropriate accounts for the current year within the Board approved budget;
 - b. The requirement for the goods or services will continue to exist in subsequent years and, in the opinion of the Director of Regional Water, the required funding can reasonably be expected to be made available; and,
 - c. The contract containing a provision that the supply of goods or services in subsequent years is subject to the approval by the Board.

4.17 Bid Administration

4.17.1 Process

The Bid Administration process of the Administering Municipality's Procurement of Goods and Services Policy may be used as a guide, subject to appropriate alteration and interpretation to meet the conditions of this Policy.

The protocol for bid irregularities and their associated responses are detailed in [Schedule 'C'](#) of this Policy.

4.17.2 Exclusion of Bidders Due to Poor Performance

- a. The Director of Regional Water may, in consultation with the Board's Solicitor, prohibit unsatisfactory bidders (including but not limited to: suppliers, consulting engineers and contractors) from bidding on any future competitive bids for a time period appropriate with the results of the performance evaluation process as outlined in Section 4.18.4.
- b. Bidders may also be prohibited from bidding on any future contract if they maintain officers, Managing Directors, or employees who are also officers, Managing Directors or employers of bidders who have already been prohibited from bidding based on the results of the performance evaluation process, as outlined in Section 4.18.4 of this Policy.

4.17.3 Exclusion of Bidders in Litigation and Disputes or Appeals of Contract Awards

- a. Huron may, in its absolute sole discretion, reject a bid submitted if the bidder, or any officer or Managing Director of the bidder is or has been engaged, either directly or indirectly through another Corporation or personally, in a legal action against Huron, its elected or appointed officers and employees in relation to:
 - i. any other contract or services; or
 - ii. any matter arising from the Huron's exercise of its powers, duties, or functions; or
 - iii. a dispute and/or an appeal of contract awards as per section 4.2.6.
- b. In determining whether or not to reject a bid under this clause, Huron will consider whether the litigation is likely to affect the bidder's ability to work with Huron, its consultants and representatives, and whether Huron's experience with the bidder indicates that Huron is likely to incur increased staff and legal costs in the administration of the contract if it is awarded to the bidder.

4.18 Contract Administration

4.18.1 Contractual Agreement

- a. The award of a contract may be made by way of an Agreement, Contract Record or Purchase Order.
- b. A Purchase Order or Contract Record is to be used when the resulting contract is straightforward and will contain Huron's standard terms and conditions.
- c. Agreement is to be used when the resulting contract is complex and will include terms and conditions other than Huron's standard terms and conditions.
- d. It shall be the responsibility of the Director of Regional Water (or delegate) and/or the Chief Administrative Officer to determine if it is in the best interest of Huron to establish an agreement with the supplier.
- e. Where it is determined that Section 4.18.1.d is to apply, the agreement shall be reviewed for execution by Huron's solicitor unless a standard MEA-ACEC Client-Consultant Agreement is used, as appropriate.
- f. Where an agreement is required, as a result of the award of a contract by delegated authority, the Board Chair and Chief Administrative Officer shall execute the agreement in the name of Huron unless delegated in writing in accordance with the Delegation of Powers and Duties Policy.
- g. Where an agreement is issued, a Purchase Order or Contract Record may be issued incorporating the formal agreement.
- h. Where an agreement is not required, an authorized Purchase Order or Contract Record may be issued incorporating the terms and conditions relevant to the award of contract.

4.18.2 Exercise of Contract Renewal Options

- a. Where a contract contains an option for renewal, the Director of Regional Water may authorize the exercise of such option provided that all of the following apply:
 - i. the supplier's performance in supplying the goods and/or services or construction is considered to have met the requirements of the contract;
 - ii. any price increases are consistent with the prevailing market conditions for the goods or services being purchased;
 - iii. the facts justifying the decision to award this supplier previously are still relevant at the time of contract renewal;

- iv. funds are available or will be available in appropriate accounts within Board approved budget, including authorized revisions, to meet the proposed expenditure;
 - v. The relevant Board report, if applicable, clearly identified the options to extend;
 - vi. the Director of Regional Water and the Chief Administrative Officer agree that the exercise of the option is in the best interest of Huron; and
 - vii. compliance with Sections i. through v. is documented, authorized by the Director of Regional Water and maintained with the project file.
- b. Approval for contract renewals and extensions shall be governed by Section 4.7.5 and [Schedule "A"](#) of this Policy.

4.18.3 Contract Amendments

- a. No amendment to a contract shall be made unless the amendment is in the best interest of Huron.
- b. No amendment that changes the price of a contract shall be agreed to without a corresponding change in requirement or scope of work.
- c. Amendments to contracts are subject to the identification and availability of sufficient funds in appropriate accounts within Board approved budgets including authorized amendments.
- d. Director of Regional Water jointly with the Chief Administrative Officer may authorize amendments when:
 - i. the total amended value of the contract (original contract plus amendment) is within the approval limit as noted in [Schedule "A"](#) of this Policy; or,
 - ii. the contract amendment will not exceed the originally approved contract by an amount greater than \$100,000 or 5% of contract value, whichever is greater, and there are sufficient funds available.
- e. The Board must authorize contract amendments when:
 - iii. the total amended value of the contract will be greater than the administrative approval threshold under Section 4.18.3.d above; or,
 - iv. the total amended value of the contract will exceed the originally approved contract by an amount greater than \$100,000 or 5% of contract value, whichever is greater, and there are funds available.

4.18.4 Performance Evaluation

- a. At the outset of a project, the Director of Regional Water shall institute a performance evaluation process in contracts where the Director of Regional Water determines that a performance evaluation would be appropriate.
- b. The performance evaluation shall rate the performance of the supplier, contractor or consultant on standard criteria adopted from time to time (i.e. failure to meet contract specifications, terms and conditions, health and safety violations, etc.). A copy of the introductory letter and performance evaluations shall be provided to the supplier, contractor, or consultant in advance of the contract, and shall remain constant for the duration of the contract. Performance issues must be noted in writing with a copy to the supplier, and a copy to the project file. Performance issues must also be noted in any project meeting minutes.
- c. On completion of the project, all supporting documents pertaining to any substandard performance and comments must be attached to the evaluation document. Huron will forward a copy of the completed evaluation to the supplier, contractor, or consultant for their records. The supplier, contractor or consultant may request a meeting with Huron to discuss the evaluation and shall have twenty (20) calendar days following delivery of the evaluation to request an appeal. This appeal shall be forwarded to Huron.
- d. The appeal shall be conducted by a Dispute Committee which will hear from both Huron and/or its consultants and the supplier at a time and place appointed in writing by the Committee. The decision of the Dispute Committee shall be in writing and it shall be final.
- e. The performance evaluation shall determine whether a supplier, contractor or consultant will:
 - i. be allowed to renew a contract with the Huron;
 - ii. be placed on a probationary list for a minimum of two (2) years during which time they shall be permitted to bid or propose work for the Huron with the understanding that the work will be closely monitored; or
 - iii. be prohibited from bidding on any contracts with the Huron during a three (3) year period, followed by a one (1) year probationary period after reinstatement as provided for in Section 4.17.1.
- f. In reaching a decision, the Dispute Committee shall rely upon the evaluation criteria determined in advance of the project and the results of prior performance evaluations relating to other contracts performed by the same supplier.
- g. No tender, proposal or quotation will be accepted from any supplier during the term of the suspension.

4.19 Disposal of Materials and Equipment

4.19.1 Obsolete and/or Surplus Materials and Equipment

- a. If materials and equipment are designated as obsolete, they may be offered for sealed bids, public auction or other public sale, depending in the opinion of the Director of Regional Water on which method is most suitable for the equipment or material involved.
- b. Auctions are held as required dependent upon the individual circumstances such as delivery of replacement items and storage capacity.
- c. The disposal of material and equipment where the removal and disposal are intrinsic to a project is excluded from this Policy and is deemed to have been approved by the Board with the approval of the project.

4.19.2 Scrap Materials and Equipment

Material and equipment deemed to be scrap may be disposed of by:

- i. General advertising to secure sealed bids;
- ii. Direct contact with the appropriate dealers to view the scrap and submit offers to purchase;
- iii. Public auction; or,
- iv. Other methods as deemed appropriate.

4.19.3 Revenue and Reporting to the Board

- a. On an annual basis, the Director of Regional Water shall provide a summary report to the Board outlining each occurrence where material and equipment was disposed of in accordance with this Policy.
- b. The revenue from the sale of obsolete material shall be credited to the appropriate Huron account.

4.20 General

4.20.1 Cooperative Purchasing

- a. Huron may participate with other government agencies or public authorities in cooperative purchasing where it is in the best interests of Huron to do so.
- b. The decision to participate in cooperative purchasing agreements will be made by the Director of Regional Water.
- c. The individual policies of the government agencies or public authorities participating in the cooperative competitive bid are to be the accepted by-law for that particular competitive bid.

4.20.2 Direct Solicitation

- a. Unsolicited proposals received by Huron shall be referred to the Director of Regional Water for review.
- b. Any procurement activity resulting from the receipt of an unsolicited proposal shall comply with the provisions of this Policy.
- c. A contract resulting from an unsolicited proposal shall be awarded on a non-competitive basis only when the procurement complies with the requirements of a non-competitive procurement, as detailed in Section 4.13.

4.20.3 Resolution of Questions

Any question involving the meaning or application of this Policy is to be submitted to the Chief Administrative Officer who will resolve the question.

4.20.4 Access to Information

The disclosure of information received relevant to the issue of competitive bids or the award of contracts emanating from competitive bids shall be made by the appropriate officers in accordance with the provisions of the *Municipal Freedom of Information and Protection of Privacy Act, R.S.O. 1990*, as amended. This includes, but is not limited to, records and information pertaining to a competitive bid if the disclosure could reasonably be expected to:

- i. significantly prejudice the competitive position or significantly interfere with the contractual or other negotiations of a person, corporation or other entity that responds, or intends to respond to a request for bids;
- ii. result in similar information no longer being supplied to Huron where it is in the public interest that similar information continues to be so supplied;
- iii. result in undue loss or gain to any person, group, committee or financial institution or agency; or,
- iv. result in information whose disclosure could reasonably be expected to be injurious to the financial interests of Huron.

4.20.5 Local or Geographical Preference

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

4.20.6 Terms and Conditions

All standard Huron Terms and Conditions for all procurement activities will govern unless there is written approval for the proposed changes from the Director of Regional Water in consultation with Huron's Solicitor if applicable.

4.20.7 Application of Trade Agreements

This Policy is subject to applicable Trade Agreement including, but not limited to CETA and CFTA.

Schedule 'A' – Levels of Contract Approval Authority

Sales taxes, excise taxes, goods and service taxes and duties shall be excluded in determining the price of a contract for the supply of goods or services for the purpose of the relationship of the price to the preauthorized expenditure limit. In the case of multi-year supply and/or service contracts, the preauthorized expenditure limit shall refer to the estimated annual expenditure under the contract.

Copies of quotations, tenders, proposals and related documents must be retained for a period of not less than two years following the completion of the provision of the Goods & Services, and as determined by the Retention Policy.

Emergencies as defined in Section 4.13.2 are exempt from this Approval Authority.

Table 1: Goods & Services, excluding Consulting Services

Value (excluding taxes, duty & shipping)	Tool / Procurement Process	Approval Authority	Policy Section
Less than \$15,000	Purchasing Card or Purchase Order	Director of Regional Water or any Regional Water employee exercising delegated authority approval	4.8
\$15,000 to \$50,000	IRFQ – min. of three written quotes	Director of Regional Water or any Regional Water employee exercising delegated authority approval	4.7.5 4.9
	Amount exceeding approved project budget	Director of Regional Water	4.7.10
	Single Source or Sole Source	Director of Regional Water and Chief Administrative Officer (Jointly)	4.7.5
Greater than \$50,000 to \$100,000	RFQ	Director of Regional Water or any Regional Water employee exercising delegated authority approval	4.7.5 4.10

Value (excluding taxes, duty & shipping)	Tool / Procurement Process	Approval Authority	Policy Section
	RFP	Director of Regional Water or any Regional Water employee exercising delegated authority approval	4.7.5 4.11
	Irregular Result	Director of Regional Water and Chief Administrative Officer (Jointly)	4.7.10
	Amount exceeding approved project budget	Director of Regional Water and Chief Administrative Officer (Jointly)	4.7.10
	Single Source or Sole Source	Director of Regional Water and Chief Administrative Officer (Jointly)	4.7.5
Greater than \$100,000 to the CETA threshold, as amended	RFP	Director of Regional Water and Chief Administrative Officer (Jointly), where sufficient funds are available within appropriate accounts. Board, where sufficient funds are not available within appropriate accounts.	4.7.5 4.11
	RFT	Director of Regional Water and Chief Administrative Officer (Jointly), where sufficient funds are available within appropriate accounts. Board, where sufficient funds are not available within appropriate accounts.	4.7.5 4.12
	Irregular Result	Board	4.7.10

Value (excluding taxes, duty & shipping)	Tool / Procurement Process	Approval Authority	Policy Section
	Amount exceeding approved project budget	Board	4.7.10
	Single Source or Sole Source	Board	4.7.5
Less than the CETA threshold limit, as amended	Contract Extensions – previously approved by the Board	Director of Regional Water and Chief Administrative Officer (Jointly)	4.18.2
Greater than the CETA threshold limit, as amended	RFP	Board	4.7.5
	RFT	Board	4.7.5
	Contract Extension – previously approved by the Board	Board	4.18.2
Up to \$100,000 or 5% of the Contract Value	Contract Amendments – subject to availability of sufficient funds in appropriate accounts and budget	Director of Regional Water and Chief Administrative Officer (Jointly)	4.18.2 4.18.3

Table 2: Consulting Services

Value (excluding taxes, duty & shipping)	Tool / Procurement Process	Approval Authority	Policy Section
Less than \$100,000	RFP or appointment from pre-approved list	Director of Regional Water	4.14.2
	Irregular Bid	Chief Administrative Officer	4.14.2
\$100,000 to the CETA threshold for <u>services</u> limit, as amended	RFP from at least three qualified firms	Chief Administrative Officer	4.14.2
	Irregular Bid	Board	4.14.2
Greater than the CETA threshold for <u>services</u> limit, as amended	Two-stage procurement: RFQual and RFP	Board	4.14.2
	Irregular Bid	Board	4.14.2
Less than the CETA threshold limit, as amended	Contract Extensions – previously approved by the Board	Director of Regional Water and Chief Administrative Officer (Jointly)	4.18.2
Greater than the CETA threshold limit, as amended	Contract Extensions – previously approved by the Board	Board	4.18.2
Up to \$100,000 or 5% of the Contract Value	Contract Amendments – subject to availability of sufficient funds in appropriate accounts and budget	Director of Regional Water and Chief Administrative Officer (Jointly)	4.18.2 4.18.3

Schedule 'B' – Goods and/or Services Not Subject to this Policy

1. Training and Education, including:
 - a. Conventions, conference, seminars, and courses;
 - b. Magazines, subscriptions, and periodicals;
 - c. Memberships;
 - d. Staff development;
 - e. Staff workshops; and,
 - f. Staff relations
2. Refundable employee expenses, using the Administering Municipality's Travel & Business Expense Policy as a guide.
3. General Expenses, including:
 - a. Payroll and payroll deductions;
 - b. Medicals;
 - c. Insurance premiums, claim settlements and adjuster services;
 - d. Tax remittances, GST.HST Cost Recovery Reviews and WSIB Remittances;
 - e. Payment in Lieu of Property Tax remittances;
 - f. Charges to and from other government agencies;
 - g. Postage;
 - h. Advertising as required by the *Municipal Act* and/or applicable legislation;
 - i. Retirement Recognition Awards;
 - j. Investment Management Services;
 - k. Employee Group Benefits, Compensation, Programs, Consulting and Reviews
 - l. Administrative services provided by the Administering Municipality as defined under a Service Level Agreement;
4. Licenses, certificates, permits and other approvals.
5. Ongoing maintenance and actions to maintain present functionality of existing computer hardware and software.
6. Professional and special services up to \$100,000, or defined more specifically in another Huron by-law or Board Policy, including, but not limited to:

- a. Additional Non-recurring Accounting and Auditing Services;
- b. Public Debenture Sales;
- c. Realty Services for Lease, Acquisition, Demolition, Sale and Appraisal of Land and Property, including Appraisal and Consulting Services relating to matters of Expropriation;
- d. Printing and Mailing Services; and
- e. Integrity Commissioner Services

Professional and special services exceeding \$100,000 must follow the approval process outlined on [Schedule "A"](#)

7. Utilities - Water and Waste Water, Electricity, Electrical Inspection Services, Meter Service Provider and related services, Phone, Internet/Communications and Natural Gas
8. Urgent Facilities Maintenance/Repairs/Renovations as deemed appropriate by the Director of Regional Water with the concurrence of the Chief Administrative Officer.
9. Legal Services and Labour Relations Services as deemed appropriate by the Director of Regional Water, with the concurrence of the Chief Administrative Officer, up to \$ 250,000.
10. Services provided for Huron construction projects within a railway right-of-way as required by the rail authority having jurisdiction.
11. Banking Services where covered by agreements and provided either directly by Huron's contracted Banking Services provider as deemed appropriate by the Director of Regional Water with the concurrence of the Chief Administrative Officer, or by the Administering Municipality as authorized by the Service Level Agreement either directly or indirectly.
12. Lease, maintenance and repair of office space for Regional Water as deemed appropriate by the Director of Regional Water with the concurrence of the Chief Administrative Officer.

Note: the acquisition, lease, or sale/disposition of Huron land (real property) is subject to Board approval.

13. Grant Funding, given or paid by Huron as per Board approved Policies for Grants and/or agreements entered into by the Board. Grants not covered by these Policies or agreements must be approved by the Board.

14. Compensation paid to landowners in accordance with an applicable landowners agreement authorized by the Board, including but not limited to the Pipeline Operations and Maintenance Agreement.
15. The services of the accredited laboratory as required by the *Safe Drinking Water Act* and its regulations.
16. Disposal of material and equipment deemed to be obsolete and/or surplus and/or scrap and having a value of less than \$1,000.

Schedule 'C' – Irregularities Contained in Bids

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

Irregularity	Response
<p>11. Bids containing minor mathematical errors</p>	<p>a) If the amount bid for a unit price item does not agree with the extension of the estimated quantity and the bid unit price, or if the extension has not been made, the unit price shall govern and the total price shall be corrected accordingly.</p> <p>b) If both the unit price and the total price are left blank, then both shall be considered as zero.</p> <p>c) If the unit price is left blank but a total price is shown for the item, the unit price shall be established by dividing the total price by the estimated quantity.</p> <p>d) If the total price is left blank for a lump sum item, it shall be considered as zero.</p> <p>e) If the bid documents contain an error in addition and/or subtraction and/or transcription in the approved competitive bid documentation format requested (i.e., not the additional supporting documentation supplied), the error shall be corrected and the corrected total contract price shall govern.</p> <p>f) Bid documents containing prices which appear to be so unbalanced as to likely affect the interests of Huron adversely may be rejected.</p>

Schedule 'D' – Statement of Ethics for Public Procurements

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

1. **Open and Honest Dealings with Everyone who is Involved in the Purchasing Process.** This includes all businesses with which Huron contracts or from which it purchases goods and/or services, as well as all Regional Water staff and agents who act on behalf of Huron in the purchase of goods and/or services including the Administering Municipality as applicable.
2. **Fair and Impartial Award Recommendations for All Contracts and Tenders.** This means that we do not extend preferential treatment to any supplier, including local companies. Not only is it against the law, but it is also not good business practice, since it limits fair and open competition for all potential suppliers and is therefore a detriment to obtaining the best possible value for each dollar.
3. **An Irreproachable Standard of Personal Integrity on the Part of All Those Delegated as Purchasing Representatives** for Huron. Absolutely no gifts or favours are accepted by the purchasing representatives return for business or the consideration of business. Also, the purchasing representatives do not publicly endorse one company in order to give that company an advantage over others.
4. **Cooperation with Other Public Agencies in Order to Obtain the Best Possible Value for Every Tax Dollar.** Where appropriate, Huron may participate in, either directly or through an agent, a cooperative purchasing group to pool expertise and resources in order to practice good Value Analysis and to purchase goods and/or services in volume and save tax dollars.

Board of Management Report

Subject: Huron Water Treatment Plant – Administration Building Extension and Site Redevelopment – Extension of Consulting Engineering Services

Overview:

- The existing Huron Water Treatment Plant (WTP) main building was designed and constructed in the 1960s and has not undergone any major renovations or modifications since. There are several challenges with the existing WTP main building that should be addressed to modernize the facility, enhance the functionality, address gender equity issues, and improve the overall indoor working environment for improved health and safety of staff.
- Stantec Consulting Limited completed an engineering assignment to identify a preferred design concept with consideration of project approvals, preferred design approach and the most suitable project delivery model for the overall project.
- Additional consulting engineering services related to potential funding applications and a minor variance municipal planning application are recommended prior to undertaking the detailed design phase of this project.

Recommendation

That the Board of Management for the Lake Huron Water Supply System take the following actions regarding the Huron Water Treatment Plant – Administration Building Extension and Site Redevelopment (LH1353) project:

- a) The Board **EXTEND** the existing engineering agreement with Stantec Consulting Limited for additional engineering services based on an approved scope of work at an estimated cost of \$36,575, including contingency, excluding HST; and,
- b) The Board **RECEIVE** this report for information.

Previous and Related Reports

October 13, 2023	Huron Water Treatment Plant – Administration Building Extension and Site Redevelopment
January 19, 2023	LH1353 WTP Modifications/Renovation
October 6, 2022	2023 Operating and Capital Budgets
October 7, 2021	Electric Vehicle Charging Stations
October 8, 2020	Port Blake Park

Background

Many of the buildings at the Huron Water Treatment Plant (WTP) site were designed and constructed in the 1960s. In early 2022, Board staff initiated a needs assessment to address required modifications, including an addition to the main building. There are several challenges with the configuration of the existing main building, including but not limited to:

- noise and vibration associated with location of offices adjacent to high lift pump gallery;
- gender equity issues, including sizing and configuration of existing washrooms, showers and change rooms for staff;
- need for one controlled primary site entrance for improved site security; and,
- need for barrier-free access to selected administration areas.

Board staff retained Stantec Consulting Ltd. (Stantec), through a competitive Request for Proposal process in the spring of 2023. The assignment was administratively awarded as an irregular bid by the Director of Regional Water jointly with the Chief Administrative Officer, in accordance with Section 4.7.10 of the Huron Procurement of Goods and Services and Disposal of Assets Policy. The engineering assignment considered alternate design concepts for site redevelopment, including the new administration building/extension and renovation of existing areas to ensure functionality and long-term suitability, review potential for the project to meet green building design standards, and confirm the preferred project delivery type. The results of this assignment, including renderings of the preferred design concept, were presented at the October 13, 2023 special meeting of the Huron board.

Discussion

Prior to moving forward with the detailed design engineering assignment, Board staff have identified the following additional work to be undertaken:

- review and evaluate potential project funding opportunities; and
- complete the minor variance municipal planning application to confirm the location of the new building/addition on the site.

The above work is outside of the scope of the original engineering assignment with Stantec. The additional engineering fees total \$36,575, including contingency, and excluding HST. Pursuant to the Board's Procurement of Goods and Services and Disposal of Assets Policy, Section 4.7.10, Board approval is required to extend the existing engineering agreement with Stantec as the total value of services will exceed the delegated authority for an administrative award of \$100,000, in the case of an irregular bid. The scope of work for additional services reflects a total estimated expenditure of \$133,832.90, including contingency and excluding HST. This additional

work will help inform subsequent phases of the project, and best position the board for future planning.

A competitive procurement process will be initiated for the subsequent consulting engineering design services for the Huron WTP Admin Building and site redevelopment in 2024.

Project Financial Status

EXPENDITURE	FORECAST	INCURRED
Preliminary and Detailed Design	\$155,778	\$120,215
Construction Administration	\$11,295	\$11,295
Construction	\$188,219	\$182,219
Other Fees and Charges	\$0	\$19,625
Total	\$349,292	\$333,354
Approved Budget	\$2,350,000	
Budget Surplus / Deficit	\$2,016,646	

Conclusion

A new administration building for the Huron WTP will address several challenges of the existing main building to modernize and enhance the indoor working environment for staff. Board staff recommend that the existing engineering agreement with Stantec Consulting Limited be extended, based on the approved scope of work for additional services, to best position the water system for future project development.

Prepared by: Marcy McKillop, P.Eng.,
Environmental Services Engineer

Submitted by: Billy Haklander, P.Eng., LL.M,
Senior Manager, Capital Programs

Recommended by: Kelly Scherr, P.Eng., MBA, FEC
Chief Administrative Officer

Board of Management Report

Subject: London Hydro Renewal Licence Agreement

Overview:

- London Hydro maintains two antennae on the water system's communications tower located at the terminal reservoir near Arva.
- The current licence, previously renewed in March 2019, expires on March 31, 2024.
- The proposed renewal licence is consistent with the terms and conditions of the original licence agreement and includes an annual fee of eight thousand dollars.

Recommendation

That, on the recommendation of the Chief Administrative Officer, the Board of Management for the Lake Huron Water Supply System approve the Licence Renewal Agreement with London Hydro Inc. for the term of April 1, 2014 to March 31, 2029, and authorize the Board Chair and Chief Administrative Officer to execute the agreement substantially in the form attached to this report.

Previous and Related Reports

March 7, 2019 London Hydro Occupancy Agreement Renewal
December 5, 2013 London Hydro Occupancy Agreement
March 12, 2009 London Hydro Occupancy Agreement

Background

Starting in 2009, London Hydro was undertaking the implementation of a hydro metering system upgrade which incorporated a radio-based automatic reading system using stationary radio equipment. Several radio transmitter/receiver stations are distributed throughout the City of London which are used to automatically read the various meters of London Hydro customers.

London Hydro entered into a Licence of Occupancy Agreement with the Lake Huron Water Supply System for a ten (10) year term for London Hydro's occupancy of the water system's communication tower located at the Terminal Reservoir site near the community of Arva. On March 12, 2019, the Board approved the licence agreement renewal for a further five-year period from April 1, 2019 to March 31, 2024.

The original agreement and licence renewal agreement include a renewal clause whereby the Licence of Occupancy Agreement may be renewed for a further five (5)

year term at the discretion of the Board. The renewal would be under the same terms and conditions as the original Licence of Occupancy Agreement.

Discussion

In accordance with the 2019 Licence Renewal Agreement, Board staff offered a Licence Renewal Agreement for London Hydro's consideration, based on the same terms and conditions of the original Licence of Occupancy Agreement, for a renewal of the Licence for an additional five (5) year term. The proposed renewal term would become effective April 1, 2024, and terminate March 31, 2029. The water supply system was obligated to provide notice of termination or offer a renewal agreement to London Hydro by September 30, 2023, six months before the expiration of the current term.

The annual License Fee set in the Licence Renewal Agreement is eight thousand dollars (\$8,000) per year, plus applicable taxes. The annual fee is consistent with current market rates of four thousand dollars per mounted equipment, applicable for this type and condition of installation.

Anticipated Operating and Service Impacts

London Hydro's occupancy is limited to two antennae mounted on the guyed-tower structure atop the terminal reservoir, and a panel within the reservoir valve house used for communications. Periodic access by London Hydro's staff and contractors to maintain the equipment is managed through the water system's security manager and coordinated with the Board's contracted Operating Authority, the Ontario Clean Water Agency.

Conclusion

It is the recommendation of Board staff that the Board approve the Occupancy Agreement renewal with London Hydro for the term of April 1, 2024, to March 31, 2029, and authorize the Board Chair and Chief Administrative Officer to execute the renewal agreement substantially in the form attached to this report.

Submitted by: Andrew J. Henry, P.Eng.,
Director, Regional Water

Recommended by: Kelly Scherr, P.Eng., MBA, FEC
Chief Administrative Officer

Attachments: Appendix A: Licence Renewal Agreement – London Hydro

Appendix A: Licence Renewal Agreement – London Hydro

RENEWAL LICENSE AGREEMENT

THIS RENEWAL AGREEMENT is made in duplicate on the _____ day of _____, 2023.

BETWEEN:

**THE JOINT BOARD OF MANAGEMENT
OF THE LAKE HURON PRIMARY WATER SUPPLY SYSTEM**

Hereinafter called the “Licensor”

AND:

LONDON HYDRO INC.

Hereinafter called the “Licensee”

WHEREAS the Licensor and Licensee entered into a License Agreement dated the 9th day of July 2015 for Licensed Premises more particularly described therein located at the Arva Terminal Reservoir and Pump Station #4, municipally located at 13964 Medway Road in the Municipality of Middlesex Centre, Ontario (the “License Agreement”);

AND WHEREAS the Licensor and Licensee renewed the Licence Agreement on March 7, 2019 for the period of April 1, 2019 to March 31, 2024;

AND WHEREAS the Licensee owns and continues to operate two (2) WPA-70090-4CF-EDIN-0-850 antenna at the Licensed Premises;

AND WHEREAS the Licensor and Licensee wish to renew the License Agreement on the following terms.

Now therefore, it is agreed between the parties as follows:

1. The Licensor offers to renew the License Agreement for a further term of FIVE (5) years, commencing on April 1, 2024 and terminating on March 31, 2029 (the “Renewal Term”).

The Term may be renewed for a further (5-year) period on the same terms, except the License fee. The Licensor shall provide a Renewal Agreement at least Six (6) months prior to the end of the current Term in the form set out as Schedule "B" including the License Fee applicable for the following 5-year period. The Licensor may provide acceptance by signing and returning the Renewal Agreement at least 30 days prior to the end of the present Term, failing which the License herein shall terminate at the end of the Term.

2. The Licensee shall pay to the Licensor an annual license fee of Eight Thousand Dollars (\$8,000.00) together with applicable HST. The license fee shall be payable in advance and is due annually on the 1st day of April in each year of the renewal term or part thereof commencing April 1, 2024.
3. All notices and demands provided for in this Renewal Agreement and the Licence Agreement shall be in writing and delivered personally or by email or by facsimile or mailed by either registered or signature mail and postage prepaid to either party as follows:

To the Licensor: Lake Huron Primary Water Supply System
235 North Centre Road, Suite 200
London, ON N5X 4E7
Fax: (519) 474-0451
Email: ahenry@huronelginwater.ca
with copy to GENERAL@huronelginwater.ca
Attention: Andrew J. Henry, P. Eng.
Director, Regional Water Supply

To the Licensee: London Hydro Inc.
111 Horton Street
P.O. Box 2700
London, Ontario
N6A 4H6
Fax: (519) 661-5838
Email: kosaracj@londonhydro.com
Attention: Jelena Kosarac.
Director IT Infrastructure

Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, provided that such day in either event is a business day, and the communication is so delivered before 4:30 p.m. on such day. Otherwise, such communication shall be deemed to have been given and made and to have been received on the next following business day. Any such communication sent by mail shall be deemed to have been given and made and to have been received on the fifth business day following the mailing thereof; provided however that no such communication shall be mailed during any actual or apprehended disruption of postal services. Any such communication given or made in any other manner shall be deemed to have been given or made and to have been received only upon actual receipt.

Any Party may from time to time change its address under this Section 3 by notice to the other Party given in the manner provided by this section.

4. All other terms and conditions of the License Agreement shall apply to the Renewal Term.
5. This offer may be accepted by the Licensee by delivering a signed copy of this Renewal Agreement to the Licensor on or before March 31, 2024, and upon acceptance form this Renewal Agreement.



Report No.: LH-2023-05-12
Report Page: 6 of 6
Meeting Date: December 7, 2023
File No.:

DATED the _____ day _____, 20____.

**THE JOINT BOARD OF MANAGEMENT
LAKE HURON WATER SUPPLY SYSTEM**

Aina DeViet
Chair, Board of Management
Lake Huron Primary Water Supply system

Kelly Scherr, P.Eng., MBA, FEC
Chief Administrative Officer
Lake Huron Primary Water Supply
System

I/we have the authority to bind the Lake Huron Primary Water Supply System

DATED the _____ day of _____, 20____.

LONDON HYDRO Inc.

Syed Mir
VP of Corporate Services and CIO

I/we have the authority to bind London Hydro Inc