

Board Members:

Phil Squire- Chair

Shellie Chowns

Gary Bezaire

John Corboy

Shawn Lewis

Hadleigh McAlister

Mayor Grantham

Cara Awcock

LMCH Leadership

Paul Chisholm,
CEO

Andrea Mackenzie,
Director of Tenant
Services

Diana Taplashvily,
Director Finance
and Corporate
Services

Trevor
Whittingham,
Senior Manager,
Asset Management

Christine Poirier,
Senior Manager,
Property Services

Dirk Volschen,
Manager Human
Resources

PUBLIC AGENDA

**LONDON & MIDDLESEX COMMUNITY HOUSING
(LMCH)**

Board of Directors Meeting

**Corporate Boardroom
1299 Oxford Street East, Unit 5C5
London, Ontario, N5Y 4W5**

Thursday, May 18, 2023

5:30 PM – 7:30PM

Item	Lead	Time
1. Call to Order	P. Squire	5:30
2. Recognition of Indigenous Peoples and Lands Statement	P. Squire	
3. Completion and Acceptance of Agenda	P. Squire	
4. Disclosure of Interest	P. Squire	5:35
5. Approval of Minutes of Previous Meetings a. April 20, 2023 Public Minutes	P. Squire	
6. Communications None	P. Chisholm	
7. Delegations None		
8. Presentations None		
9. In Camera None		
10. Consent Agenda Items: a) Staff Report 2023- 26 CEO Report b) Staff Report 2023- 27 Vacancy Management Update Report	P. Chisholm A. MacKenzie	5:50
11. Reports and Business c. Staff Report 2023 -28 Resignation of Tenant Director <u>Finance Committee Reports for Information:</u> Reports overview provided by Committee Chair, S. Chowns <ul style="list-style-type: none"> • FC- 23- 20 Director of Finance & Corporate Services Update • FC- 23- 23 CMCH Quarterly Update • FC- 23- 24 Reimage Southdale Update 	P. Chisholm	

<u>Finance Committee Reports for Approval</u>		
d. Staff Report 2023 -29 2022 Audited Financials	D. Taplashvily	
e. Staff Report 2023 -30 DRAFT Procurement Policy	D. Taplashvily	
f. Staff Report 2023 -31 Simcoe Paving Project Tender Award	T. Whittingham	
g. Staff Report 2023 -32 Boullee St. Parking lot Lighting Tender Award.	T. Whittingham	
h. Staff Report 2023 -33 Service Agreement S & K Landscaping	T. Whittingham	
i) Staff Report 2023- 34 Paving & Accessibility Works – Highrise’s 2021-CMHC-0011	T. Whittingham	
j) Staff Report 2023- 35 Contractor – Windows & Doors 2021-CMHC-0015b	T. Whittingham	
k. Staff Report 2023- 36 LMCH Indemnification Policy	D. Volschenk	
12. New Business / Enquiries	P. Squire	
13. Meeting Adjournment	P. Squire	7:30pm

Recognition of Indigenous Peoples and Lands Statement

We would like to begin by acknowledging the treaty territory of the Anishnaabeg, which is defined within the pre-confederation treaty known as the London Township Treaty of 1796. Throughout time, this region has also become the current home to the Haudenosaunee and Lenni-Lenape Nations.



BOARD OF DIRECTORS MEETING MINUTES

April 20, 2023 at 5:30 p.m.
London & Middlesex Community Housing
Boardroom, 1299 Oxford Street East, Unit 5C5, London, Ontario, Canada

Board Members in Attendance:

Phillip Squire, Chair

Shellie Chowns

Tammy Brooks

Hadleigh McAlister*

John Corboy

Cara Awacock

Not in Attendance

Shawn Lewis

Gary Bezaire

Senior Leadership in Attendance:

Paul Chisholm, CEO

Andrea Mackenzie, Director of Tenant Services

Trevor Whittingham, Senior Manager, Asset Management

Christine Poirier, Senior Manager, Property Services

Dirk Volschenk*, Human Resources, Manager

Ryan Winter, Business Planner

* *Virtual Attendance via Zoom*

1. Call to Order	P. Squire called the meeting to order at 5:33 p.m.
2. Recognition of Indigenous Peoples and Lands	P. Squire provided the recognition address at 5:33 p.m. <i>We would like to begin by acknowledging the treaty territory of the Anishnaabeg, which is defined within the pre-confederation treaty known as the London Township Treaty of 1796. Throughout time, this region has also become the current home to the Haudenosaunee and Leni-Lenape Nations.</i>
3. Completion and Acceptance of the Agenda	Regarding the completion and acceptance of the agenda,



	<p>T. Brooks, MOTION to ADD: Operational Pest Control Issue as an item to the New Business section of the agenda.</p> <p>P. Squire MOTION Pause recording, All in Favour 5:43pm</p> <p>MOTION to ADD Operational issues in Pest Control, DEEMED Not Appropriate at 5:45pm.</p> <ul style="list-style-type: none"> - T.Brooks left the meeting at 5:47pm - John Corboy Joined the meeting at 5:58pm <p>MOVED by S. Chowns, seconded by C. Awcock, ALL Members AGREED that the agenda BE ACCEPTED and APPROVED as presented. PASSED at 5:58pm</p>
4. Disclosures of Interest	P. Squire called for conflict-of-interest declarations with respect to the agenda. No conflicts - of- interest declared at 5:58 p.m.
5. Approval of Board Meeting Minutes	Regarding the Board Meeting Minutes of March 16, 2023, MOVED by J. Corboy, seconded by C. Awcock, that the Minutes BE ACCEPTED and APPROVED , item CARRIED at 5:59 p.m. ALL In Favour.
6. Communications	<p>City of London AGM Communication</p> <p>Overview provided by P. Chisholm, notice from the City of London to confirm the date of June 20th for the AGM, at 4:05PM.</p> <p>P. Squire and CEO will attend and provide remarks, for question session.</p>
7. Delegations	None
8. Presentations	None
9. In Camera	None
10. Consent Items	
a. Staff Report 2023 -23 Transfer of Land for Road Widening for Re-Imagine Southdale	<p>P. Chisholm provided an overview of the report.</p> <p>MOTION to RECIEVE the report, MOVED by S.Chowns, seconded by C. Awcock 6:02pm.</p> <p>Report and Recommendations APPROVED, ALL in Favour, PASSED at 6:04pm.</p>

<p>b) Staff Report 2023 -24 Contract Award – Penny Lane Window Replacement</p>	<p>Report overview provided by T. Whittingham. -Anticipated start date 8 weeks after contract award.</p> <p>MOTION to RECEIVE and APPROVE the Report and Recommendations, MOVED Shellie, seconded by C. Awcock, All in Favour 6:05pm.</p>
<p>New Business</p>	<p>None</p>
<p>13. MEETING ADJOURNMENT</p>	<p>ADJOURNED, MOVED by S.Chowns, seconded by Cara, ALL in Favour, PASSED at 6:06 pm.</p>

Phil Squire, Chair

Paul Chisholm, CEO

STAFF REPORT 2023-26

TO: LMCH Board of Directors
FROM: Paul Chisholm, Chief Executive Officer
SUBJECT: CEO Update
DATE: May 11, 2023

PURPOSE:

The purpose of the report is to provide updates to the Board on the status of key initiatives previously approved, introduce items that may come before the Board in future meetings and to provide updates on meetings, events or operational activities that may be of interest to the Board.

RECOMMENDATION:

That the CEO Update report **BE RECEIVED** for information.

UPDATES:

Sector Engagement

International Housing Partnership

LMCH is one of 33 housing providers across Canada that is part of Housing Partnership Canada (HPC). Members of HPC are also members of the International Housing Partnership (IHP) made of up members from the Canada, United States, the United Kingdom and Australia.

On May 4th this group met virtually to provide country updates and discuss common challenges. The focus of this meeting was the challenges of serving residents with higher demands for service and compounding mental health/addiction challenges leading to rising violence and threats. Housing providers have been responding by seeking funding to hire more resident-facing staff, creating or strengthening partnerships to provide more support for residents and clarifying the types of residents that can be housed within their portfolios.

LMCH will consider the discussions as we continue to invest in improving services and support for our tenants, improving community safety as well as focusing on day-to-day operations.

2023 ONPHA Conference – Building for Belonging

Ontario Non-Profit Housing Association (ONPHA) provides sector engagement, leads advocacy, is a voice for the sector and promotes growth in the sector. The annual ONPHA Conference is one way it drives this objective. These conferences provide an opportunity to attend workshops and network with others in the sector for staff and board members.

The 2023 Conference will be held in Toronto from Thursday October 26th through Saturday October 28th. Any board member interested in attending should let us know.

Reimagine Southdale

Work continues on this project to finalize floorplans, develop the procurement plan and other critical path items. LMCH would like to highlight:

- Conditional site plan approval has been received for this project with LMCH submitting a letter of undertaking to provide the required erosion, sediment control and tree protection.
- Development Charges are required for be paid to the City and a separate report is before the Board for approval of this payment.
- LMCH received and provided feedback on the 50% blueprint drawings for the project. LMCH is targeting 100% blueprint drawings finalized for submission to the City at the end of June.
- LMCH has released a Request for Pre-Qualification (RFPO) to initiate the selection of the General Contractor for the project. Only vendors that qualify through the RFPO process will be invited to bid on the project.

Community Safety

LMCH continues to focus on community safety across our sites.

- LMCH hosted Community Safety meetings at number of sites over the past few weeks.
- With the change in homelessness support and response in the City of London LMCH has noticed an increase in issues at a number of our sites.

- There was an increase in the non-tenant traffic at our 580 Dundas location, both in the building and on the grounds in April. This site already has overnight and weekend security services.
- The Kent Street and Albert Street sites have had increasing in non-tenant activity throughout the winter. Most recently overnight security was added to these sites to address the increased activity.
- In addition to the high traffic sites noted above, LMCH continues to see increasing activity of non-tenants across all sites.

Human Resources Updates

Work continues to fill vacant positions at LMCH. LMCH is pleased to be making progress in recruitment. LMCH has added successfully, 9 staff roles since the last update to the Board in March.

- Jaclyn Carruthers transitioned to the permanent role of Accounts Payable Coordinator
- Maggie Haynes moved to the role of Tenant Services Team Lead
- Terry Parker moved to the role of Property Services Manager
- The following staff joined LMCH in the period:
 - Rod Smith – Field Supervisor (CMHC)
 - Michael Zhang – Property Services Coordinator
 - Randy Stevens – Maintenance Repair
 - Lexie Chambers – Community Development Worker
 - Talys Moreth – HR Assistant
 - Tusks Thong – Procurement Officer
- There are currently four (4) open competitions for the roles of:
 - Housing Stability Case Coordinator
 - Tenant Services Coordinator – two positions
 - Maintenance repair

PREPARED BY:
PAUL CHISHOLM CHIEF EXECUTIVE OFFICER

STAFF REPORT 2023- 27

TO: LMCH Board of Directors

FROM: Andrea Mackenzie, Director of Tenant Services

SUBJECT: Vacancy Management Report

DATE: May 11, 2023

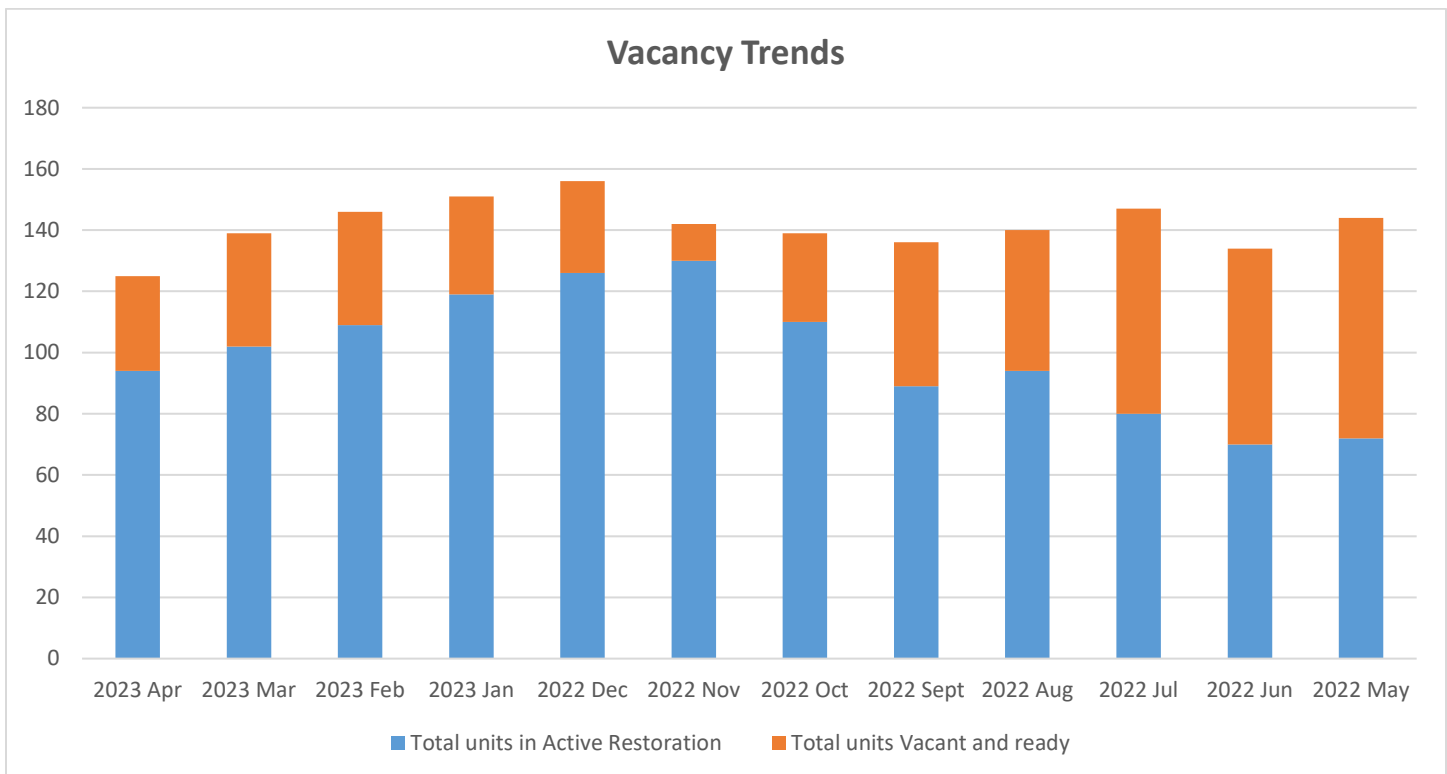
Purpose:

To update the Board of Directors regarding the status of LMCH’s Vacancy Management progress with the objective of achieving a three percent (3%) total vacancy.

RECOMMENDATION:

That the Vacancy Management Update report **BE RECEIVED** for information.

OVERVIEW:



Monthly Vacancy Progress (Reported as of April 30th, 2023)

- Total Vacancy:** This includes all units within LMCH portfolio that are not occupied. It is inclusive of units that are Non-Rentable or in Active Restoration and Rent Ready Stock. (Target: 3%)

Count (Units)	2023 Apr	2023 Mar	2023 Feb	2023 Jan	2022 Dec	2022 Nov	2022 Oct	2022 Sept	2022 Aug	2022 Jul	2022 Jun	2022 May
Total units in Active Restoration	93	102	109	119	126	130	110	89	94	80	70	72
Total units Vacant and ready	31	37	37	32	30	12	29	47	46	67	64	72
Total Vacancy (Units Available)	124	139	146	151	156	142	139	136	140	147	134	144

Vacancy Rate	2023 Apr	2023 Mar	2023 Feb	2023 Jan	2022 Dec	2022 Nov	2022 Oct	2022 Sept	2022 Aug	2022 Jul	2022 Jun	2022 May
Total units in Active Restoration	2.9%	3.1%	3.3%	3.6%	3.8%	4.0%	3.4%	2.7%	2.9%	2.4%	2.1%	2.2%
Total units Vacant and ready	0.9%	1.1%	1.1%	1.0%	0.9%	0.4%	0.9%	1.4%	1.4%	2.0%	2.0%	2.2%
Total Vacancy (Units Available)	3.8%	4.2%	4.4%	4.6%	4.8%	4.3%	4.2%	4.1%	4.3%	4.5%	4.1%	4.4%

2. Non-Rentable Units:

The non-rentable category includes units that do not have a predictable rent ready projection date due to an insurance claim or a major construction project (e.g., units that are being used for broader portfolio improvements).

- 20 units are on hold as part of CMHC Accessible Unit Project.
- 4 units are vacant and undergoing restoration for fire or as part of insurance claims.
- 18 units at our Southdale Project are vacant awaiting demolition as part of the Reimagine Southdale project.

3. Active Restoration:

The active restoration category includes all remaining units that are slated for restoration and rental. The target for units in active restoration is 2% of the portfolio or 66 units. At the end of April there were 94 units in active restoration which was 2.9 % of the portfolio.

There were 29 units restored in April that took an average of 137 days to return to rent ready.

Age of Units Restored in Period (Count)	2023 Apr	2023 Mar	2023 Feb	2023 Jan	2022 Dec	2022 Nov	2022 Oct	2022 Sept	2022 Aug	2022 Jul	2022 Jun	2022 May
0-15 days	0	1	1	0	0	0	0	1	0	0	0	0
16-30 days	1	2	2	2	1	0	1	4	1	2	1	2
31-60 days	3	6	1	4	4	1	5	7	1	7	6	10
61-90 days	7	10	2	8	4	3	6	7	6	6	10	3
91+ days	18	20	29	24	23	6	8	14	7	9	11	16
Total units restored	29	39	35	38	32	10	20	33	15	24	28	31
Average # of days in restoration	137	103	156	122	116	124	95	84	84	101	95	112

At the end of April 2023 there were 94 units in active restoration down from 102 at the end of March 2023. Units in active restoration at the end of April had been vacant for an average of 101 days as of 30th April 2023.

Age of Units in active Restoration (Count)	2023 Apr	2023 Mar	2023 Feb	2023 Jan	2022 Dec	2022 Nov	2022 Oct	2022 Sept	2022 Aug	2022 Jul	2022 Jun	2022 May
0-15 days	16	16	15	9	10	15	18	9	15	8	10	17
16-30 days	9	11	11	18	18	15	14	18	15	24	16	10
31-60 days	19	20	22	22	24	29	20	20	31	20	22	24
61-90 days	13	12	24	20	26	17	17	23	12	14	13	4
91+ days	36	43	37	50	48	54	41	19	21	14	9	17
Total units in Active Restoration	93	102	109	119	126	130	110	89	94	80	70	72
Average # of days in restoration at month end	101	100	92	101	97	90	82	71	63	56	56	59

4. Active Rental Stock: These are the units that are rent ready and available to offer. Units leave this category when they are future leased or leased (when the actual lease is signed, and keys are handed to the new tenant). The target for Active Rental Stock is 1% of the portfolio or 33 units.

In the month of April, 38 units were leased that had been rent ready for an average of almost 19 days. In addition to units leased an additional 26 units were accepted by tenants to be leased in May and future periods.

Age of Units Leased in the Period (Count)	2023 Apr	2023 Mar	2023 Feb	2023 Jan	2022 Dec	2022 Nov	2022 Oct	2022 Sept	2022 Aug	2022 Jul	2022 Jun	2022 May
0-15 days	20	20	22	11	8	6	11	3	5	0	6	10
16-30 days	8	8	5	5	6	9	8	8	5	9	4	9
31-60 days	9	6	3	2	4	4	5	11	9	8	13	10
61-90 days	1	0	1	0	1	4	1	4	2	9	5	3
91+ days	0	1	0	0	3	4	9	9	2	5	4	2
Total units Leased	38	35	31	18	22	27	34	35	23	31	32	34
Average # of days to commit the unit	19	21	17	14	54	48	56	64	42	63	47	36

At the end of April, the active rental stock was 31 units or 0.9 % of the portfolio. The average days units were in Active Rental at the end of March was 16 days.

Age of Units Vacant and Available (Count)	2023 Apr	2023 Mar	2023 Feb	2023 Jan	2022 Dec	2022 Nov	2022 Oct	2022 Sept	2022 Aug	2022 Jul	2022 Jun	2022 May
0-15 days	20	24	31	29	23	7	17	25	18	20	24	22
16-30 days	5	4	3	2	3	2	6	9	0	4	9	6
31-60 days	2	9	3	0	2	0	2	1	9	18	10	26
61-90 days	4	0	0	0	1	3	2	4	4	12	8	8
91+ days	0	0	0	1	1	1	2	8	15	13	13	10
Total units Vacant and ready	31	37	37	32	30	12	29	47	46	67	64	72
Average # of days vacant and ready	16	14	13	13	13	24	32	41	63	52	47	42

Period Summaries:

LMCH had a total of 28 new units confirmed vacant in the month of April which have been added to the active restoration stock.

LMCH restored a total of 29 units during this same time period.

In addition to the units above LMCH moved 13 units from active restoration to unlettable for the CMHC Unit Accessibility Program. An additional 9 units will be moved from active restoration in the month of May to support this work.

One fire unit was confirmed ready and moved to vacant and ready in the month.

LMCH leased 38 units and future leased an additional 26 during this reporting period.

Conclusion

Corporate target for vacant units is 100 units. The sub targets set are 66 units in Active Restoration and 33 units are in Active Rental stock.

With 93 units in Active Restoration LMCH has reduced the units in Active restoration by 35% since December 31, 2022. Work will continue to reduce number of units in active restoration to below 66 to meet target by end of 2023. Transition of units to the CMHC Unit Accessibility Program will reduce the number vacant units moving to active restoration resulting in decreased number of units and the length of time a unit is in the active restoration phase.

PREPARED and RECOMMENDED BY:	STAFF CONTACT:
ANDREA MACKENZIE, DIRECTOR of TENANT SERVICES	Christine Poirier, Senior Manager, Property Services

Finance Committee Report 2023- 20

TO: LMCH Finance Committee

FROM: Diana Taplashvily, Director of Finance & Corporate Services

SUBJECT: Update from Director of Finance & Corporate Services

DATE: May 03, 2023

PURPOSE:

The purpose of the report is to provide updates to the LMCH Finance Committee on the status of key initiatives previously approved, introduce items that may come before the Committee in future meetings, and provide updates on meetings, events, or activities that may be of interest to the Committee.

RECOMMENDATIONS:

That the Update from the Director of Finance & Corporate Services report **BE RECEIVED** for information.

UPDATES:

Procurement Updates

We have successfully onboarded a new Procurement Officer Tusks Thong, a member of the Ontario Public Buyers Association (OPBP) and accreditation candidate of the Supply Chain Management Association Ontario (SCMAO). This is a bargaining position, budgeted under Business Case 19 and reports to Procurement Manager Sherry Tunks.

LMCH Purchasing policy regulates LMCH engagement with different buying groups and cooperatives. In 2023 LMCH became a member of the following public sector buying groups/coops:

- Canoe Procurement Group of Canada
- Kinetic GPO
- OECCM

Membership enables LMCH to tap immediately into the cost savings provided by different buying groups, full impact of these savings will be visible in 2024. LMCH will continue to seek opportunities to control and reduce cost of operations in compliance with the existing policies and procedures.

Information Systems and Technology Updates:

YARDI

2022 was an important year for LMCH from technology transformation standpoint. Implementation of Voyager 7 of Yardi enabled implementation of Yardi SharePoint and provided LMCH with an opportunity to re-visit current document management processes and put together a three-phase plan on transitioning to MS SharePoint as a single document management solution for LMCH.

On April 26, 2023, LMCH rolled out Yardi Document Management for SharePoint with a basic Share Point Landing page which acts as an intranet site for LMCH. This unified system leverages SharePoint and Microsoft Cloud and allows LMCH to centralize key documents and enterprise information in a secure, mobile enabled system and access and manage content efficiently.

Phase 2 will focus on turning the landing page to an Internal Communication HUB for LMCH. Phase 3 will focus on security framework for non-Yardi document folders and documents. The goal is to have all phases complete before the year end of 2024.

In May 2023 LMCH begin the implementation of PayScan a Yardi product for online paperless automated invoice and AP processing platform that supports the electronic capture, storage, and management of all invoices and invoice-related data. PayScan gives the ability to create workflows for electronic approvals, processing of Purchase Orders and invoices, this will ensure compliance is met with organizational purchasing policies. Implementation of this product will be an important milestone in the development of LMCH Vendor Management Program, anticipate full transition to PayScan before the end of 2023.

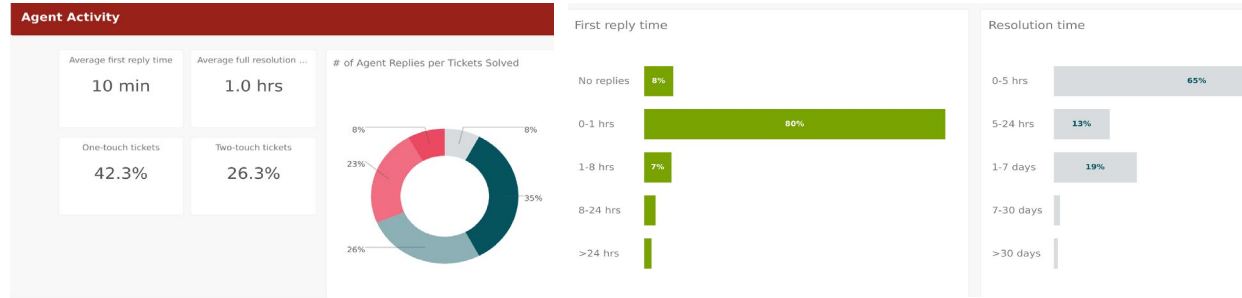
Network Security Update:

LMCH staggers implementation of different security products by layering different Desktop, Cloud and Network solutions. LMCH IT service provider monitors network activity and provides monthly reports on performance.

For the month of March 2023, a total of **41,162** emails were analyzed post- delivery for LMCH. Using the best-in-class detection and prevention methodology, 261 attacks were detected to be quarantined. **2,216** suspicious emails were detected, and Interactive warning banner applied. During the same period, **2** suspicious emails were reported by the end users.

IT Service and Support

LMCH IT service provider resolved on average between 50-100 tickets of various complexity and urgency per week. Quality of service is monitored and reported on a weekly and monthly basis. Average resolution time of the issues is 1 hour and about 70% of the issues is resolved with one/two touch points.



Finance

LMCH successfully completed 2022 Year End Audit in April of 2023. Year End close and Year End Audit is a very labour-intensive process and requires full department's engagement and participation. The management is very grateful to the staff for the commitment to working with the audit team on this and timely completion.

SIGNATURE:

PREPARED and SUBMITTED BY:	REVIEWED and CONCURRED BY:
DIANA TAPLASHVILY DIRECTOR OF FINANCE & CORPORATE SERVICES	PAUL CHISHOLM CHIEF EXECUTIVE OFFICER

Finance Committee Report 2023- 23

TO: LMCH Finance Committee

FROM: Trevor Whittingham, Senior Manager Asset Management

SUBJECT: CMHC Q1 – 2023 Update

DATE: May 03, 2023

PURPOSE:

This report is to provide an update to LMCH Finance Committee on the CMHC Program, and the status of key projects with the allocated budgets representing the secured funding of \$40,136,090 through CMHC.

RECOMMENDATION:

It is recommended that LMCH Finance Committee **RECIEVE** this report for information.

BACKGROUND:

LMCH began collaborating with CMHC in 2019 to define projects that meet the CMHC requirements under the Renovation, Repair and Renew funding program. The program developed by LMCH team members followed the guidelines of the National Housing Co-Investment Fund – “Minimum Environmental & Accessibility Requirements – Repairs and Renewals”. The criteria requirements include increasing accessibility in common areas, retrofitting 20% of the unit’s interior in order to meet accessibility requirements, while also achieving 25% energy savings and GHG reductions by year end 2027.

As of February 25, 2021, CMHC, by way of Letter of Intent, confirmed to LMCH that the provided documentation submitted by LMCH achieved CMHCs criteria for funding. The City of London denoting their commitment to the program signed as guarantor on June 16, 2021.

On November 25, 2021, LMCH in conjunction with the City of London (COL) as guarantor executed the loan agreement with CMHC of \$40,136,090. The funding allocation consists of \$ 15,533,989 as a forgivable loan and \$24,602,101 repayable loan with the City of London guaranteeing \$37,000,000.

PROJECT UPDATES:

The funding can be categorized into three divisions: Energy, Accessibility and Property Works. The below summary provides a project status of each division.

Energy

Energy Management System (EMS):

The Demtroys thermostat was installed at 1454 units at 7 LMCH high rises buildings. The system manages the peak power demand of heating appliances, and the programming calculates exterior wind and temperatures to coordinate the activation of heating appliances throughout the building.

The property 580 Dundas installation is currently on hold due to the intrusive works required to complete the installation. The building is heated by a hydronic system and the existing condition is a thermal couple connected to the baseboard that controls the thermostat. Unlike the other 7 LMCH high rises in the project there is no electrical connection at the thermostat, which is required for the new thermostats. LMCH has been working with Demtroys and in consultation with ESA authorities for a solution that does appear to be viable. Once verified and budgets finalized, the work would commence in August 2023.

Preliminary bill analysis completed from October through to December 2022 indicate a savings of 327,093 kWh a value of approximately \$35,000. Efficiency Engineering will be completing a full report for the entire heating system in July 2023 using 2018 as a baseline as agreed to by the CMHC operating agreement.

Variable Frequency Drive (VFD):

Installation of 3 new VFDs along with programming of existing VFDs and the addition of timeclocks were completed at seven (7) high-rises with the last timeclock completed in Q1 2023. The programming reduced the CFM rates by 20-40% with an anticipated 12,000 kWh and 25,000 M3 savings per year; while maintaining ASHRAE criteria performance standards. The project was completed within budget and is now complete.

Windows and Doors

Tender documents were prepared by Edison Engineering Inc. and an RFP was issued for the projects at two family sites. The replacement of windows at Pond Mills family site and the replacement of both window and doors Allan Rush. The RFP will close May 10 and it is expected that the work will commence in late Q3 or early Q4 2023 dependent on the lead time to have windows and doors ordered and delivered by the manufacturer.

Sustainability Future Works:

- Plumbing Fixture Replacement: This work will be part of a phased project.
Phase 1: Plumbing fixtures will be changed during unit turnovers and when work for CMHC Accessible unit modifications are being completed. Work to commence during unit turnovers.
Phase 2: Units not completed through Phase 1 will be addressed in a structured program later in coming years.
- LED Retrofits: LMCH will confirm scopes of work on previous projects to transition to LED lighting and identify areas not completed. LED lighting will be expanded to chute rooms, laundry rooms and staff areas as appropriate and will be combined with sensor lighting to maximize energy savings.
- Furnace & Hot Water Tanks: Schedule being finalized for family sites. There is significant work underway at some of the family sites, current hot water tanks in use are under rental agreement until 2027. A schedule will be finalized by the end of 2023 for this work.

Accessibility Common Areas Updates

- New entry door installation at Dundas, with relocated accessible push buttons to meet AODA requirements.
- Installation of new doors at amenity rooms with vision lights (windows) to meet AODA requirements.
- Tender responses received for the front parking and roundabout at Simcoe prepared by Rimkus engineering. Work will ensure smooth level paving at entry, decrease existing island for turn around access for emergency services. Anticipated work to commence July 2023.
- Tender documents prepared by Edison Engineering Inc., were issued for the exterior paving at 6 high rise properties to improve right away travel from entrance to AODA parking spaces. Recommendations for approval anticipated at May 2023 Board Meeting with anticipated construction starts July/August 2023.

Accessibility / Barrier Free Requirements – In Suite

LMCH currently has varying levels of retrofits in units that have occurred over the years to meet on-demand accessibility requests of the residents. The CMHC funding provides the opportunity to develop a systematic program to meet all levels of tenant needs. Implementing a complete program of modifications will ensure LMCH has the required accessible units to meet the growing demands versus a tenant by tenant retrofit.

Unit Modifications	Simcoe	Baseline (seniors)	Mc Nay (seniors)	Dundas	Walnut (senior)	Kent (senior)	345 & 349 Wharnclyffe	All Sites
2023 Q1- Q2		2	1				5	8
2023 - Q3 - Q4	20	26	29		10	15	11	111
2024 - 2025	15	54	58	20	65	50	35	297
Total	35	82	88	20	75	65	51	416

- The first set of accessible units are nearing completion.
- For next round of units, they will be bundles in small work packages by site (4-6 units) that will be part of a competitive bid process.
- Units being set aside now to support this work at Simcoe and Walnut.
- LMCH is in the process of developing a more structured competitive bid process for the remainder of the project units.
- Timeline of project will depend on actual move outs.
- Project work can continue into 2026 to address issues that arise in meeting required program target.

Accessibility Future Works

- Installation of new benches at various properties.
- Installation of doors for the amenity rooms at Simcoe.
- Program development on kitchen requirements for accessibility and public use.
- Signage program throughout LMCH portfolio
- Laundry room refresh with accessibility requirements.
- Continued unit modification works.

Property Enhancements

Hard Surface Repairs

Currently two-family sites, Marconi and Allan Rush have hard surface repairs underway. Marconi work to be completed includes, completion of driveway and parking lot paving, along with line markings, to be completed by June 2023.

Work at Allan Rush continues with 3 parking lots, and pathways to be paved. The work scoped for this project is in Phase 1 of a multi phased project, with the anticipated completion is for early July 2023.

Playgrounds:

Playgrounds were ordered in 2022 for the Allan Rush and Huron family sites. The playgrounds are to be received in late Sept. for an October installation. The playgrounds procured have equipment to meet a range of ages and abilities.

Property Enhancements Future Works:

- Works scheduled for paving in 2024 include family sites Boulee and Huron.

TENANT IMPACT:

Tenant impact varies from project to project. Notices for all projects are communicated to the tenants via newsletter drop offs at each unit explaining the project and possible disruptions. When regular paths of travel are interrupted or parking lots are closed, signage and maps are provided denoting alternate routes.

The upcoming works for window and door replacements will be intrusive, the work was scoped to include for a coordinator and prep team to assist tenants when required. A mockup of the windows and doors will take place several weeks prior to the installation. The mockup install will assist with the methodology of tasks required when the project commences.

FINANCIAL IMPACT:

Budget estimates were submitted for the CMHC program contract. These budgets continue to be verified and actualized. The table, shown in 'Appendix A' represents the budget status.

CMHC Quarterly Draw and funds received:

2021 – Draw 1 - 6	Repayable 61%	\$ 1,437,280
	Forgivable 39%	\$ 918,917
Total		\$ 2,356,197

LEGAL IMPACT / RISK MANAGEMENT:

All tender responses for construction projects require the submission of WSIB, insurance and any relevant certificates. Projects are reviewed individually for surety and bonding requirements.

Where Asbestos Containing Materials have been identified, this information has been included in the bid documents and all required precautions will be taken by the selected vendor for the project (s).

Appendix A - Budget

PREPARED and SUBMITTED BY:
TREVOR WHITTINGHAM, SENIOR MANAGER ASSET MANAGEMENT

FC- 23- 23 CMCH Q1 2023 Status Report **APPENDIX A: Budget**

CMHC Budget \$40,136,090



PROJ #	DESCRIPTION	Prelim Budget	Current Budget	Contingency	Total Project Budget	Commitments to Date	Invoice to Date	Approved CO/CD	Current Remaining	Contingency Use	Contingency Remaining
2021-cmhc-0001	Accessibility Soft Costs Units	\$376,800	\$312,800	\$19,280	\$332,080	\$30,528	\$33,785	\$3,257	\$298,295	\$0	\$19,280
2021-CMHC-0002	Accessibility Hard Costs units	\$18,278,000	\$19,020,000	\$2,092,200	\$21,112,200	\$595,830	\$316,000	\$0	\$20,796,200	\$0	\$2,092,200
2021-CMHC-0003	Accessibility Soft Costs Common Area	\$138,600	\$218,000	\$11,800	\$229,800	\$87,870	\$50,925	\$0	\$178,875	\$0	\$11,800
2021-CMHC-0004	Testing & Inspections Energy Soft Costs	\$70,990	\$65,000	\$0	\$65,000	\$12,692	\$47,726	\$0	\$17,274	\$0	\$0
2021-CMHC-0005	Electrical Energy Management System	\$1,271,773	\$1,271,773	\$50,871	\$1,322,644	\$1,364,384	\$1,245,494	\$0	\$77,150	\$0	\$50,871
2021-CMHC-0006	Plumbing Fixtures Energy Retrofits	\$392,975	\$483,025	\$24,151	\$507,176	\$0	\$706	\$0	\$506,471	\$0	\$24,151
2021-CMHC-0007	Mechanical VFD Programming	\$33,000	\$33,000	\$3,300	\$36,300	\$34,598	\$35,063	\$3,230	\$1,237	\$3,230	\$70
2021-CMHC-0009	Owner Soft Costs/Contract Admin	\$1,195,000	\$917,616	\$0	\$917,616	\$0	\$215,000	\$0	\$702,616	\$0	\$0
2021-CMHC-0010	Contingency -Additional	\$3,000,000		\$3,000,000	\$3,000,000	\$0	\$0	\$0	\$3,000,000	\$0	\$3,000,000
2021-CMHC-0011	Special Construction Accessibility Hard Costs Common	\$2,215,000	\$2,285,000	\$225,000	\$2,510,000	\$163,852	\$153,000	\$0	\$2,357,000	\$0	\$225,000
2021-CMHC-0012	Furnace	\$2,371,200	\$2,371,200	\$82,992	\$2,454,192	\$0	\$0	\$0	\$2,454,192	\$0	\$82,992
2021-CMHC-0013	Plumbing Equipment Hot Water Tanks	\$1,778,400	\$1,778,400	\$62,244	\$1,840,644	\$0	\$0	\$0	\$1,840,644	\$0	\$62,244
2021-CMHC-0014	Site Improvements Exterior Works- hard surface repairs,lighting	\$3,572,400	\$3,610,150	\$175,250	\$3,785,400	\$1,206,598	\$258,500	\$36,504	\$3,526,900	\$36,504	\$138,746
2021-CMHC-0015	Windows and Doors	\$1,803,000	\$1,835,000	\$183,500	\$2,018,500	\$25,440	\$0	\$0	\$2,018,500	\$0	\$183,500
						\$3,439,838	\$2,356,199				
	Soft Costs		\$1,513,416								
	Hard Costs		\$32,687,548								
	Contingency		\$5,930,588								
	Total		\$40,131,552								

Finance Committee Report 2023- 24

TO: LMCH Finance Committee

FROM: Trevor Whittingham, Senior Manager Asset Management

SUBJECT: Reimagine Southdale Development Charges

DATE: May 03, 2023

PURPOSE:

The purpose of this report is to seek the LMCH Finance Committee approval to pay the Development Charges to the City of London required to proceed with the Reimagine Southdale Project.

Board approval is required for this contract award as it exceeds the \$75,000 financial approval limit of LMCH's CEO as set out in "Purchasing Policies and Guidelines".

RECOMMENDATION:

That the LMCH Finance Committee **APPROVE** the following recommendations:

1. APPROVE the payment of Development Charges to the City of London in the amount of \$1,379,073 for the Reimagine Southdale Project.
2. RECOMMEND that this payment is approved by the Board of Directors of LMCH.
3. Authorize LMCH staff to take the necessary steps to give effect to the above recommendation(s).

BACKGROUND:

LMCH has received all required approvals from the City of London to move forward with the Reimagine Southdale Project. Through the development process LMCH follows the same approval process and pays the same fees as all developers in London. Development Charges are one of the fees that are required to be paid prior to the issuance of a building permit for the project.

Development Charges fund the capital cost of infrastructure required by the City of London to support residential and non-residential growth in the City. The landowner is responsible for payment of these fees,

Development Charges are set annually by the City of London and vary by built form, unit size and location of the development, inside or outside of the Growth Zones set by the City.

The Southdale Community is located inside the City Growth Zone and based on unit size in the developments the Development Charges have been determined to be \$1,379,073.

Unit Size	Unit Count	Development Charge /Unit	Total Development Charges
1 bed	3	\$19,491	\$58,473
2 Bed	15	\$26,412	\$396,180
3 Bed	30	\$26,412	\$792,360
4 Bed	5	\$26,412	\$132,060
Total Units	53		\$1,379,073

FINANCIAL IMPACT:

The City of London has approved financing of the ReImagine Southdale Project. While the final project budget has not been finalized, the development charges are included in the overall project budget.

Once payment of the Development Charges are approved by the Board of Directors, LMCH will coordinate payment of the fees with the City of London.

LEGAL IMPACT / RISK MANAGEMENT:

LMCH is required to make these payments to move forward with the ReImagine Southdale project. A building permit will not be issued until the fees are paid. Delays in payment of the fees will result in delays in the construction schedule for the project.

PREPARED and SUBMITTED BY:	STAFF CONTACT:
TREVOR WHITTINGHAM, SENIOR MANAGER ASSET MANAGEMENT	SCOTT ROBERTSON, Construction Project Manager

STAFF REPORT 2023 - 28

TO: LMCH Board of Directors

FROM: Paul Chisholm, Chief Executive Officer

SUBJECT: Resignation of Tenant Director

DATE: May 11, 2023

PURPOSE:

To inform the Board of Directors of the resignation of a Board Director (Tenant) Tammy Brooks and discuss follow-up actions required.

RECOMMENDATION:

That the Board of Directors:

1. Receive and formally accept the resignation of Tammy Brooks from the LMCH Board of Directors.
2. Authorize LMCH staff to take the necessary actions to inform the City Clerk of the resignation and to initiate the process to replace the Board Director (Tenant) in partnership with the City Clerk's Office of the City of London.

BACKGROUND:

Through a governance review completed in 2021, the recommendations were made to increase the number of Directors appointed to the LMCH Board of Directors from seven (7) to nine (9). Specifically, the recommendations called for the appointment of two (2) tenants of LMCH to the Board of Directors. This recommendation was approved by the LMCH Board of Directors and our Shareholder, the City of London.

The City Clerk's office at the City of London worked closely with the Board of Directors of LMCH to develop and implement a Board member application and selection process with key accountabilities as follows:

- The City Clerk would manage the official application process;
- LMCH would conduct additional outreach with tenants and community partners;

- The LMCH Board would develop and implement the process to evaluate the applications and make recommendations both Tenant and Community-At-Large directors;
- Once approved by the Board of Directors the names of Tenant and Community-At-Large Directors would be forwarded to the City Clerk;
- The City Clerk would bring the required reports through the approval process at the City

Tammy Brooks was expected to serve as Director until “the close of the annual meeting of the Shareholders to be held in 2025 for the financial year ending December 31, 2024”.

TENANT IMPACT:

Having the experience, input, and perspective of a current tenants of LMCH on the Board of Directors is an important part in ensuring matters that come before the Board consider the needs of tenants and the community.

FINANCIAL IMPACT:

There are no additional financial impacts identified through this report.

PREPARED and RECOMMENDED BY:
PAUL CHISHOLM, CHIEF EXECUTIVE OFFICER

Staff Report 2023- 29

TO: LMCH Board of Directors

FROM: Diana Taplashvily, Director of Finance and Corporate Services

SUBJECT: 2022 Audited Financial Statements of LMCH

DATE: May 11, 2023

PURPOSE:

To present the Draft Audited 2022 Financial Statements and Audit Findings Report to the LMCH Board of Directors, to receive approval of these statements.

RECOMMENDATION:

That the LMCH Board of Directors:

1. APPROVE the attached 2022 Audited Financial Statements.
2. Authorize LMCH staff to take the necessary steps to give effect to the above recommendation(s).

BACKGROIUND:

LMCH is subject to an annual external financial audit in accordance with Canadian Public Sector Accounting Standards (PSAS), which KPMG completed as part of the City of London financial audit. As the City of London is the sole shareholder of LMCH, the audited results are consolidated into the City of London's financial results. KPMG completed the audit of the 2022 results in April 2023 without any complications.

AUDIT FINDINGS:

All audit procedures were completed as planned, no unadjusted misstatements and no significant findings were identified during the audit. In the opinion of KPMG, the financial statements are in accordance with Canadian PSAS and present fairly the financial position of LMCH as of December 31, 2022, in all material respects (Appendix A, LMCH Draft AFR 2022).

There are presentation differences between the external financial statement and LMCH’s internal financial statements that are used to determine our surplus or deficit reported to the City of London. Per the audited financial statements, LMCH reported an annual surplus of \$1,533,288 versus the previously reported surplus of \$818,530. Refer to the Appendix B, 2022 Financial Statements Comparison with Operations Statement Refer and Appendix C, 2022 Draft Audited Financial Statements.

The major difference between the external and internal financial statements is the treatment of capital assets. Internally capital assets are defined as spending incurred on approved capital projects which are funded through the City of London’s capital project allotment or alternative sources of capital funding such as the Public Housing Major Upgrades, Infrastructure Gap, CMHC and CMHC Co-Investment. Externally capital assets are determined based on specific criteria set out by the Canadian Public Sector Accounting Board (PSAB) that is assessed on an asset-by-asset basis. LMCH internally reports operating spending and capital spending separately whereas the external financial statements include capital spending and accumulated amortization on the assets within the statement of operations.

The external financial audit completed by KPMG resulted in the following audit opinion as per the Independent Auditors’ Report and will be forwarded to the City of London for consolidation purposes.

“In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2022, and its results of operations, its change in net debt and its cash flows for the year that ended in accordance with Canadian Public Sector Accounting Standards.”

ATTACHMENTS:

- Appendix A:** LMCH Draft AFR 2022
- Appendix B:** 2022 Financial Statements Comparison with Operations Statement
- Appendix C:** 2022 Draft Audited Financial Statements

SIGNATURE:

PREPARED and SUBMITTED BY:
DIANA TAPLASHVILY, DIRECTOR FINANCE & CORPORATE SERVICES



London & Middlesex Community Housing Inc.

**Audit Findings Report
for the year ended
December 31, 2022**

KPMG LLP

Prepared as of April 30, 2023 for the meeting on May 10, 2023
kpmg.ca/audit



KPMG contacts

Key contacts in connection with this engagement



Katie denBok

Lead Audit Engagement Partner

519-660-2115

kdenbok@kpmg.ca



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4	Audit highlights	5	Status of the audit	6	Audit risks and results
10	Uncorrected audit misstatements	11	Control deficiencies	12	Additional matters
13	Audit quality	14	Appendices		

The purpose of this report is to assist you, as a member of the Board, in your review of the results of our audit of the financial statements as at and for the period ended December 31, 2022. This report is intended solely for the information and use of Management, the Finance Committee, and the Board of Directors and should not be used for any other purpose or any other party. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this report has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.



Digital use information

This Audit Findings Report is also available as a “hyper-linked” PDF document.

If you are reading in electronic form (e.g. In “Adobe Reader” or “Board Books”), clicking on the home symbol on the top right corner will bring you back to this slide.



Click on any item in the table of contents to navigate to that section.

Audit highlights

<p>Status of the audit</p> <p>We have completed the audit of the financial statements ("financial statements"), with the exception of certain remaining outstanding procedures, which are highlighted on slide 5 of this report.</p>	<p>Uncorrected audit misstatements</p> <p>Professional standards require that we request of management that all identified audit misstatements be corrected. See slide 10.</p>	<p>Significant unusual transactions</p> <p>No matters to report.</p>
<p>Audit risks and results – significant risks</p> <p>The presumed fraud risk from revenue recognition has been rebutted as it is not considered applicable to London & Middlesex Community Housing where performance is not measured based on revenue or profits.</p> <p>No matters to report based on procedures performed to address the presumed fraud risk from management override of controls.</p>	<p>Corrected audit misstatements</p> <p>The management representation letter includes all misstatements identified as a result of the audit, communicated to management, and subsequently corrected in the audited financial statements.</p>	<p>Control deficiencies</p> <p>We did not identify any control deficiencies that we determined to be significant deficiencies in internal control over financial reporting. See slide 11 for certain required communications regarding control deficiencies.</p>
		<p>Materiality</p> <p>Materiality of \$815,000 (2021 - \$800,000) was determined based on preliminary total expenses, resulting in an audit posting threshold of \$40,000 (2021 - \$40,000).</p>



Status of the audit

As of April 30, 2023 we have completed the audit of the financial statements, with the exception of certain remaining procedures, which include:

- Final review and documentation of audit file
- Receipt of legal letter
- Receipt of the signed management representation letter
- Completing our discussions with the Board of Directors
- Obtaining evidence of the Board of Director's approval of the financial statements

We will update the Board of Directors, and not solely the Chair, on significant matters, if any, arising from the completion of the audit, including the completion of the above procedures.

Our auditor's report will be dated upon the completion of any remaining procedures.

Other areas of focus and results

We highlight our significant findings in respect of **other areas of focus** as identified in our discussion with you in the Audit Plan.

Other area of focus	Estimate?	Why important?
Cash	No	The dollar value of cash makes this a significant financial reporting caption.

Our response

We performed the following procedures as noted in our audit planning report:

- Obtained confirmation from third parties to verify cash balances at year-end.
- Reviewed bank reconciliations and performed verification of significant reconciling items.
- Reviewed financial statement disclosure.

Significant findings

No issues have been identified as a result of the procedures performed.

Other areas of focus and results

We highlight our significant findings in respect of **other areas of focus** as identified in our discussion with you in the Audit Plan.

Other area of focus	Estimate?	Why important?
Accounts payable and accrued liabilities	No	The dollar value of cash makes this a significant financial reporting caption.

Our response

We performed the following procedures as noted in our audit planning report:

- Updated our understanding of activities over the initiation, authorization, processing, recording, and reporting of accounts payable and accrued liabilities.
- Performed a search for unrecorded liabilities.

Significant findings

We identified one adjustment as a result of this testing, which has been corrected in the financial statements. Please refer to the appendix to our management representation letter.

Other areas of focus and results

We highlight our significant findings in respect of **other areas of focus** as identified in our discussion with you in the Audit Plan.

Other area of focus	Estimate?	Why important?
Tangible capital assets	No	The dollar value of cash makes this a significant financial reporting caption.

Our response

We performed the following procedures as noted in our audit planning report:

- Updated our understanding of activities over the initiation, authorization, processing, recording and reporting of tangible capital assets.
- Vouched a selection of additions and disposals throughout the year to supporting documentation.
- Performed a substantive analytical procedure over depreciation expense.
- Obtained details of repairs and maintenance expenses recorded during the year. Vouched a selection of expenses to supporting documentation. For the items selected for testing, obtained an understanding of the nature of the expense to gain assurance that it was not capital in nature.
- Obtained management’s assessment of the impact of the Contaminated Sites standard (PS 3260) and reviewed the impact to the financial statements, if any.

Significant findings

No issues have been identified as a result of the procedures performed.

Other areas of focus and results

We highlight our significant findings in respect of **other areas of focus** as identified in our discussion with you in the Audit Plan.

Other area of focus	Estimate?	Why important?
Deferred revenue	No	The dollar value and the complex nature of the funding/ debt makes this a significant area of focus.

Our response

We performed the following procedures as noted in our audit planning report:

- KPMG obtained and reviewed the CMHC funding agreements.
- Tested that the agreements are accounted for appropriately in the financial statement.

Significant findings

No issues have been identified as a result of the procedures performed.

Uncorrected audit misstatements

Uncorrected audit misstatements include financial presentation and disclosure omissions.



No uncorrected misstatements noted.

Control deficiencies

Consideration of internal control over financial reporting (ICFR)



In planning and performing our audit, we considered ICFR relevant to the Entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on ICFR.

Our understanding of internal control over financial reporting was for the limited purpose described above and was not designed to identify all control deficiencies that might be significant deficiencies. The matters being reported are limited to those deficiencies that we have identified during the audit that we have concluded are of sufficient importance to merit being reported to those charged with governance.

Our awareness of control deficiencies varies with each audit and is influenced by the nature, timing, and extent of audit procedures performed, as well as other factors. Had we performed more extensive procedures on internal control over financial reporting, we might have identified more significant deficiencies to be reported or concluded that some of the reported significant deficiencies need not, in fact, have been reported.

A deficiency in internal control over financial reporting



A deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A deficiency in design exists when (a) a control necessary to meet the control objective is missing or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed, or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.


Significant deficiencies in internal control over financial reporting



A significant deficiency in internal control over financial reporting is a deficiency, or combination of deficiencies, in internal control that, in the auditor's professional judgment, is of sufficient importance to merit the attention of those charged with governance.

Other financial reporting matters


We also highlight the following:



Financial statement presentation - form, arrangement, and content




No matters to report.



Concerns regarding application of new accounting pronouncements



See details in appendices relating to upcoming changes in Public Sector Accounting Standards. Disclosure has been included in the financial statements (Note 2(g)) on those changes that are likely to have an impact on the Corporation. No concerns noted.



Significant qualitative aspects of financial statement presentation and disclosure



No matters to report.

Audit quality: How do we deliver audit quality?

Quality essentially means doing the right thing and remains our highest priority. Our **Global Quality Framework** outlines how we deliver quality and how every partner and staff member contributes to its delivery.

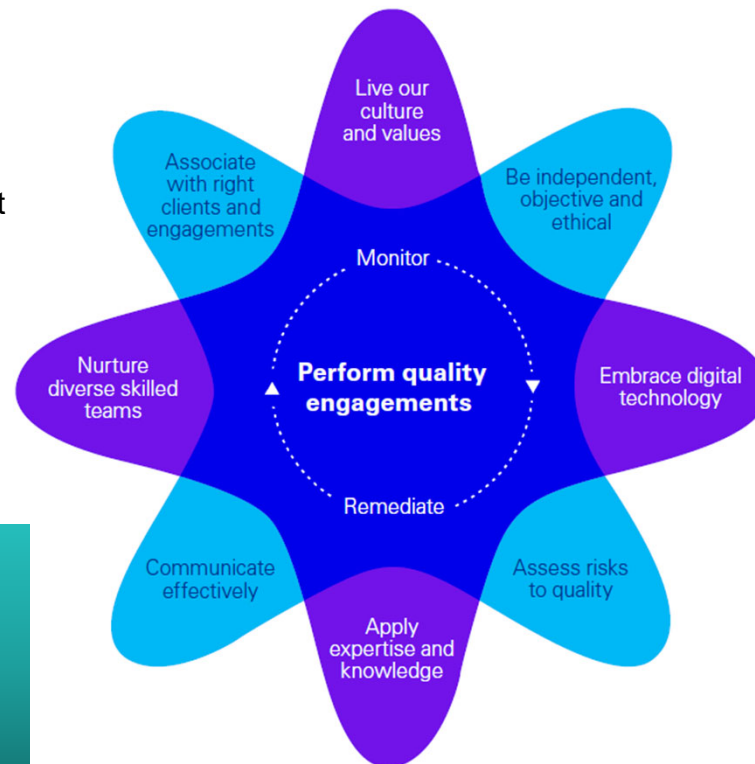
Perform quality engagement sits at the core along with our commitment to continually monitor and remediate to fulfil on our quality drivers.

Our **quality value drivers** are the cornerstones to our approach underpinned by the **supporting drivers** and give clear direction to encourage the right behaviours in delivering audit quality.

[!\[\]\(74d4806277d7e73349d8e8c0897931e9_img.jpg\) **KPMG 2022 Audit Quality and Transparency Report**](#)

We define 'audit quality' as being the outcome when:

- audits are **executed consistently**, in line with the requirements and intent of **applicable professional standards** within a strong **system of quality controls**; and
- all of our related activities are undertaken in an environment of the utmost level of **objectivity, independence, ethics and integrity**.



Appendices

A

Other required communications

A

Management representation letter

A

Upcoming changes to accounting standards

A

Newly effective changes to auditing standards

A

Insights to enhance your business

A

Audit and assurance insights

Appendix: Other required communications



Engagement terms

A copy of the engagement letter and any subsequent amendments has been provided to the Management.



CPAB communication protocol

The reports available through the following links were published by the Canadian Public Accountability Board to inform Audit Committees and other stakeholders about the results of quality inspections conducted over the past year:

- [CPAB Audit Quality Insights Report: 2021 Annual Inspections Results](#)
- [CPAB Audit Quality Insights Report: 2022 Interim Inspections Results](#)
- The 2022 Annual Inspection Results will be available in March 2023

KPMG LLP
1400-140 Fullarton Street
London, ON N6A 5P2

May 10, 2023

Ladies and Gentlemen:

We are writing at your request to confirm our understanding that your audit was for the purpose of expressing an opinion on the financial statements (hereinafter referred to as “financial statements”) of London & Middlesex Community Housing Inc. (“the Entity”) as at and for the period ended December 31, 2022.

General:

We confirm that the representations we make in this letter are in accordance with the definitions as set out in [Attachment I](#) to this letter.

We also confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Responsibilities:

- 1) We have fulfilled our responsibilities, as set out in the terms of the engagement letter dated September 15, 2016, including for:
 - a) the preparation and fair presentation of the financial statements and believe that these financial statements have been prepared and present fairly in accordance with the relevant financial reporting framework.
 - b) providing you with all information of which we are aware that is relevant to the preparation of the financial statements (“relevant information”), such as financial records, documentation and other matters, including:
 - the names of all related parties and information regarding all relationships and transactions with related parties;
 - the complete minutes of meetings, or summaries of actions of recent meetings for which minutes have not yet been prepared, of shareholders, board of directors and committees of the board of directors that may affect the financial statements. All significant actions are included in such summaries.
 - c) providing you with unrestricted access to such relevant information.
 - d) providing you with complete responses to all enquiries made by you during the engagement.
 - e) providing you with additional information that you may request from us for the purpose of the engagement.

- f) providing you with unrestricted access to persons within the Entity from whom you determined it necessary to obtain audit evidence.
- g) such internal control as we determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We also acknowledge and understand that we are responsible for the design, implementation and maintenance of internal control to prevent and detect fraud.
- h) ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements.
- i) ensuring that internal auditors providing direct assistance to you, if any, were instructed to follow your instructions and that we, and others within the entity, did not intervene in the work the internal auditors performed for you.

Internal control over financial reporting:

- 2) We have communicated to you all deficiencies in the design and implementation or maintenance of internal control over financial reporting of which we are aware.

Fraud & non-compliance with laws and regulations:

- 3) We have disclosed to you:
 - a) the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
 - b) all information in relation to fraud or suspected fraud that we are aware of that involves:
 - management;
 - employees who have significant roles in internal control over financial reporting; or
 - others
 where such fraud or suspected fraud could have a material effect on the financial statements.
 - c) all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements, communicated by employees, former employees, analysts, regulators, or others.
 - d) all known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements, whose effects should be considered when preparing financial statements.
 - e) all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

Subsequent events:

- 4) All events subsequent to the date of the financial statements and for which the relevant financial reporting framework requires adjustment or disclosure in the financial statements have been adjusted or disclosed.

Related parties:

- 5) We have disclosed to you the identity of the Entity's related parties.
- 6) We have disclosed to you all the related party relationships and transactions/balances of which we are aware.
- 7) All related party relationships and transactions/balances have been appropriately accounted for and disclosed in accordance with the relevant financial reporting framework.

Estimates:

- 8) The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

Going concern:

- 9) We have provided you with all information relevant to the use of the going concern assumption in the financial statements.
- 10) We confirm that we are not aware of material uncertainties related to events or conditions that may cast significant doubt upon the Entity's ability to continue as a going concern.

Non-SEC registrants or non-reporting issuers:

- 11) We confirm that the Entity is not a Canadian reporting issuer (as defined under any applicable Canadian securities act) and is not a United States Securities and Exchange Commission ("SEC") Issuer (as defined by the Sarbanes-Oxley Act of 2002).
- 12) We also confirm that the financial statements of the Entity will not be included in the group financial statements of a Canadian reporting issuer audited by KPMG or an SEC Issuer audited by any member of the KPMG organization.

Yours very truly,

Diana Taplashvily, Director of Finance & Corporate Services

Paul Chisholm, CEO

Attachment I – Definitions

Materiality

Certain representations in this letter are described as being limited to matters that are material.

Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Judgments about materiality are made in light of surrounding circumstances, and are affected by perception of the needs of, or the characteristics of, the users of the financial statements and, the size or nature of a misstatement, or a combination of both while also considering the entity's own circumstances.

Fraud & error

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorization.

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

Attachment II – Summary of Audit Misstatements Schedule(s)

Corrected audit adjustments

	Income effect (000's)	Balance Sheet (000's)			
Description	Decrease (Increase)	Current Assets (Decrease) Increase	Long-term Assets (Decrease) Increase	Liabilities Decrease (Increase)	Equity Decrease (Increase)
To correct payroll accrual	(82)	-	-	82	(82)
Total corrected adjustments	(82)	-	-	82	(82)

Appendix: Upcoming changes to accounting standards

Standard	Summary and implications
Asset retirement obligations	<ul style="list-style-type: none"> • The new standard PS 3280 <i>Asset retirement obligations</i> is effective for fiscal years beginning on or after April 1, 2022. • The new standard addresses the recognition, measurement, presentation and disclosure of legal obligations associated with retirement of tangible capital assets. Retirement costs will be recognized as an integral cost of owning and operating tangible capital assets. • The asset retirement obligations (“ARO”) standard will require the public sector entity to record a liability related to future costs of any legal obligations to be incurred upon retirement of any controlled tangible capital assets (“TCA”). The amount of the initial liability will be added to the historical cost of the asset and amortized over its useful life if the asset is in productive use. • As a result of the new standard, the public sector entity will: <ul style="list-style-type: none"> • Consider how the additional liability will impact net debt, as a new liability will be recognized with no corresponding increase in a financial asset; • Carefully review legal agreements, senior government directives and legislation in relation to all controlled TCA to determine if any legal obligations exist with respect to asset retirements; • Begin considering the potential effects on the organization as soon as possible to coordinate with resources outside the finance department to identify ARO and obtain information to estimate the value of potential ARO to avoid unexpected issues.

Appendix: Upcoming changes to accounting standards

Standard	Summary and implications
Financial instruments and foreign currency translation	<ul style="list-style-type: none"> • The new standards PS 3450 <i>Financial instruments</i>, PS 2601 <i>Foreign currency translation</i>, PS 1201 <i>Financial statement presentation</i> and PS 3041 <i>Portfolio investments</i> are effective for fiscal years beginning on or after April 1, 2022. • Equity instruments quoted in an active market and free-standing derivatives are to be carried at fair value. All other financial instruments, including bonds, can be carried at cost or fair value depending on the public sector entity's choice and this choice must be made on initial recognition of the financial instrument and is irrevocable. • Hedge accounting is not permitted. • A new statement, the Statement of Remeasurement Gains and Losses, will be included in the financial statements. Unrealized gains and losses incurred on fair value accounted financial instruments will be presented in this statement. Realized gains and losses will continue to be presented in the statement of operations. • PS 3450 <i>Financial instruments</i> was amended subsequent to its initial release to include various federal government narrow-scope amendments.
Revenue	<ul style="list-style-type: none"> • The new standard PS 3400 <i>Revenue</i> is effective for fiscal years beginning on or after April 1, 2023. • The new standard establishes a single framework to categorize revenue to enhance the consistency of revenue recognition and its measurement. • The standard notes that in the case of revenue arising from an exchange transaction, a public sector entity must ensure the recognition of revenue aligns with the satisfaction of related performance obligations. • The standard notes that unilateral revenue arises when no performance obligations are present, and recognition occurs when there is authority to record the revenue and an event has happened that gives the public sector entity the right to the revenue.

Appendix: Upcoming changes to accounting standards

Standard	Summary and implications
Purchased Intangibles	<ul style="list-style-type: none"> • The new Public Sector Guideline 8 <i>Purchased intangibles</i> is effective for fiscal years beginning on or after April 1, 2023 with earlier adoption permitted. • The guideline allows public sector entities to recognize intangibles purchased through an exchange transaction. The definition of an asset, the general recognition criteria and GAAP hierarchy are used to account for purchased intangibles. • Narrow scope amendments were made to PS 1000 <i>Financial statement concepts</i> to remove the prohibition to recognize purchased intangibles and to PS 1201 <i>Financial statement presentation</i> to remove the requirement to disclose purchased intangibles not recognized. • The guideline can be applied retroactively or prospectively.
Public Private Partnerships	<ul style="list-style-type: none"> • The new standard PS 3160 <i>Public private partnerships</i> is effective for fiscal years beginning on or after April 1, 2023. • The standard includes new requirements for the recognition, measurement and classification of infrastructure procured through a public private partnership. • The standard notes that recognition of infrastructure by the public sector entity would occur when it controls the purpose and use of the infrastructure, when it controls access and the price, if any, charged for use, and it controls any significant interest accumulated in the infrastructure when the public private partnership ends. • The public sector entity recognizes a liability when it needs to pay cash or non-cash consideration to the private sector partner for the infrastructure. • The infrastructure would be valued at cost, which represents fair value at the date of recognition with a liability of the same amount if one exists. Cost would be measured in reference to the public private partnership process and agreement, or by discounting the expected cash flows by a discount rate that reflects the time value of money and risks specific to the project. • The standard can be applied retroactively or prospectively.

Appendix: Upcoming changes to accounting standards

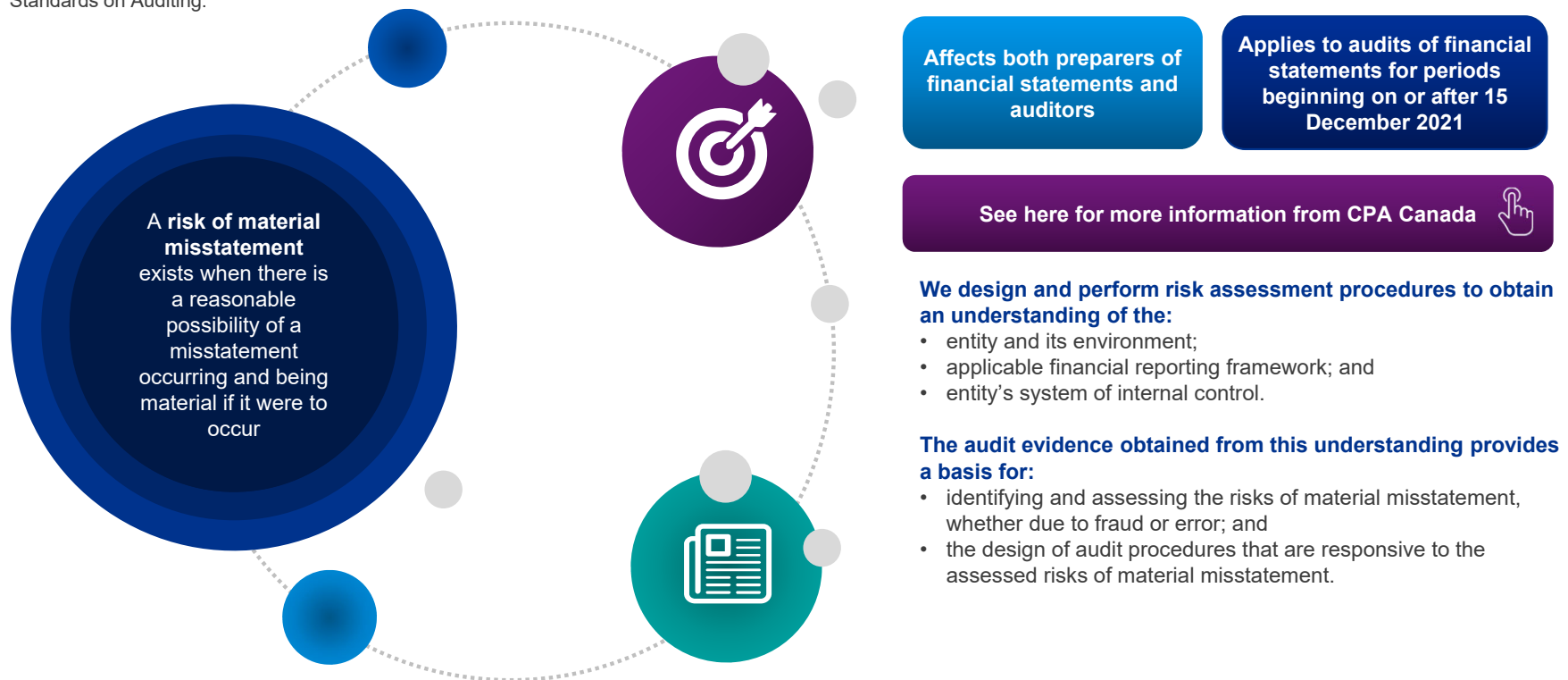
Standard	Summary and implications
Concepts Underlying Financial Performance	<ul style="list-style-type: none"> • The revised conceptual framework is effective for fiscal years beginning on or after April 1, 2026 with earlier adoption permitted. • The framework provides the core concepts and objectives underlying Canadian public sector accounting standards. • The ten chapter conceptual framework defines and elaborates on the characteristics of public sector entities and their financial reporting objectives. Additional information is provided about financial statement objectives, qualitative characteristics and elements. General recognition and measurement criteria, and presentation concepts are introduced.
Financial Statement Presentation	<ul style="list-style-type: none"> • The proposed section PS 1202 <i>Financial statement presentation</i> will replace the current section PS 1201 <i>Financial statement presentation</i>. PS 1202 <i>Financial statement presentation</i> will apply to fiscal years beginning on or after April 1, 2026 to coincide with the adoption of the revised conceptual framework. Early adoption will be permitted. • The proposed section includes the following: <ul style="list-style-type: none"> • Relocation of the net debt indicator to its own statement called the statement of net financial assets/liabilities, with the calculation of net debt refined to ensure its original meaning is retained. • Separating liabilities into financial liabilities and non-financial liabilities. • Restructuring the statement of financial position to present total assets followed by total liabilities. • Changes to common terminology used in the financial statements, including re-naming accumulated surplus (deficit) to net assets (liabilities). • Removal of the statement of remeasurement gains (losses) with the information instead included on a new statement called the statement of changes in net assets (liabilities). This new statement would present the changes in each component of net assets (liabilities), including a new component called “accumulated other”. • A new provision whereby an entity can use an amended budget in certain circumstances. • Inclusion of disclosures related to risks and uncertainties that could affect the entity’s financial position. • The Public Sector Accounting Board is currently deliberating on feedback received on exposure drafts related to the reporting model.

Appendix: Upcoming changes to accounting standards

Standard	Summary and implications
Employee benefits	<ul style="list-style-type: none"> • The Public Sector Accounting Board has initiated a review of sections PS 3250 <i>Retirement benefits</i> and PS 3255 <i>Post-employment benefits, compensated absences and termination benefits</i>. • The intention is to use principles from International Public Sector Accounting Standard 39 <i>Employee benefits</i> as a starting point to develop the Canadian standard. • Given the complexity of issues involved and potential implications of any changes that may arise from the review of the existing guidance, the new standards will be implemented in a multi-release strategy. The first standard will provide foundational guidance. Subsequent standards will provide additional guidance on current and emerging issues. • The proposed section PS 3251 <i>Employee benefits</i> will replace the current sections PS 3250 <i>Retirement benefits</i> and PS 3255 <i>Post-employment benefits, compensated absences and termination benefits</i>. It will apply to fiscal years beginning on or after April 1, 2026. Early adoption will be permitted and guidance applied retroactively. • This proposed section would result in public sector entities recognizing the impact of revaluations of the net defined benefit liability (asset) immediately on the statement of financial position. Organizations would also assess the funding status of their post-employment benefit plans to determine the appropriate rate for discounting post-employment benefit obligations. • The Public Sector Accounting Board is in the process of evaluating comments received from stakeholders on the exposure draft.
Government not-for-profit strategy	<ul style="list-style-type: none"> • The Public Sector Accounting Board has approved its government not-for-profit (“GNFP”) strategy implementation plan. • The approved strategy option is to incorporate the PS 4200 series of standards with potential customizations into public sector accounting standards. This means reviewing the existing PS 4200 series of standards to determine if they should be retained and added to public sector accounting standards. Incorporating the updated or amended PS 4200 series standards in public sector accounting standards would make the guidance available to any public sector entity. Accounting and/or reporting customizations may be permitted if there are substantive and distinct accountabilities that warrant modification from public sector accounting standards.

Appendix: Newly effective changes to auditing standards

CAS 315 (Revised) Identifying and Assessing the Risks of Material Misstatement has been revised, reorganized and modernized in response to challenges and issues with the previous standard. It aims to promote consistency in application, improve scalability, reduce complexity, support a more robust risk assessment and incorporate enhanced guidance material to respond to the evolving environment, including in relation to information technology. Conforming and consequential amendments have been made to other International Standards on Auditing.



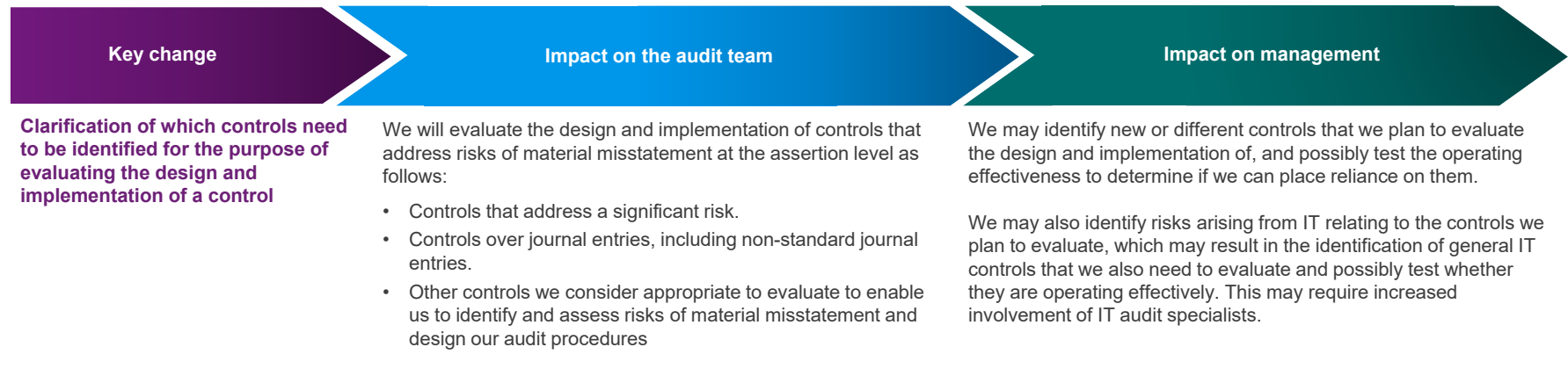
Appendix: Newly effective changes to auditing standards

Key change	Impact on the audit team	Impact on management
<p>Overall, a more robust risk identification and assessment process, including evaluating whether the audit evidence obtained from risk assessment procedures provides an appropriate basis to identify and assess the risks of material misstatement</p>	<p>When making this evaluation, we consider all audit evidence obtained, whether corroborative or contradictory to management assertions. If we conclude the audit evidence obtained does not provide an appropriate basis, then we perform additional risk assessment procedures until audit evidence has been obtained to provide such a basis.</p>	<p>In certain circumstances, we may perform additional risk assessment procedures, which may include further inquires of management, analytical procedures, inspection and/or observation.</p>
<p>Overall, a more robust risk identification and assessment process, including performing a ‘stand back’ at the end of the risk assessment process</p>	<p>We evaluate whether our determination that certain material classes of transactions, account balances or disclosures have no identified risks of material misstatement remains appropriate.</p>	<p>In certain circumstances, this evaluation may result in the identification of additional risks of material misstatement, which will require us to perform additional audit work to respond to these risks.</p>

Appendix: Newly effective changes to auditing standards

Key change	Impact on the audit team	Impact on management
<p>Modernized to recognize the evolving environment, including in relation to IT</p>	<p>New requirement to understand the extent to which the business model integrates the use of IT.</p> <p>When obtaining an understanding of the IT environment, including IT applications and supporting IT infrastructure, it has been clarified that we also understand the IT processes and personnel involved in those processes relevant to the audit.</p> <p>Based on the identified controls we plan to evaluate, we are required to identify the:</p> <ul style="list-style-type: none"> • IT applications and other aspects of the IT environment relevant to those controls • related risks arising from the use of IT and the entity's general IT controls that address them. <p>Examples of risks that may arise from the use of IT include unauthorized access or program changes, inappropriate data changes, risks from the use of external or internal service providers for certain aspects of the entity's IT environment or cybersecurity risks.</p>	<p>We will expand our risk assessment procedures and are likely to engage more extensively with your IT and other relevant personnel when obtaining an understanding of the entity's use of IT, the IT environment and potential risks arising from IT. This might require increased involvement of IT audit professionals.</p> <p>Changes in the entity's use of IT and/or the IT environment may require increased audit effort to understand those changes and affect our assessment of the risks of material misstatement and audit response.</p> <p>Risks arising from the use of IT and our evaluation of general IT controls may affect our control risk assessments, and decisions about whether we test the operating effectiveness of controls for the purpose of placing reliance on them or obtain more audit evidence from substantive procedures. They may also affect our strategy for testing information that is produced by, or involves, the entity's IT applications.</p>
<p>Enhanced requirements relating to exercising professional skepticism</p>	<p>New requirement to design and perform risk assessment procedures in a manner that is not biased toward obtaining audit evidence that may be corroborative or toward excluding audit evidence that may be contradictory. Strengthened documentation requirements to demonstrate the exercise of professional scepticism.</p>	<p>We may make changes to the nature, timing and extent of our risk assessment procedures, such as our inquires of management, the activities we observe or the accounting records we inspect.</p>

Appendix: Newly effective changes to auditing standards



Appendix: Insights to enhance your business

[▶ Learn more](#)

We have the unique opportunity as your auditors to perform a deeper dive to better understand your business processes that are relevant to financial reporting.

Lean in Audit		How it works
<p>Lean in Audit™ is KPMG's award-winning methodology that offers a new way of looking at processes and engaging people within your finance function and organization through the audit.</p> <p>By incorporating Lean process analysis techniques into our audit procedures, we can enhance our understanding of your business processes that are relevant to financial reporting and provide you with new and pragmatic insights to improve your processes and controls.</p> <p>Clients like you have seen immediate benefits such as improved quality, reduced rework, shorter processing times and increased employee engagement.</p> <p>We look forward to discussing how we can use this approach for your audit going forward.</p>	<p>Standard Audit</p> <p>Typical process and how it's audited</p>	
	<p>Lean in Audit™</p> <p>Applying a Lean lens to perform walkthroughs and improve Audit quality and minimize risks and redundant steps</p>	
	<p>How Lean in Audit helps businesses improve processes</p> <p>Make the process more streamlined and efficient for all</p>	

● **Value:** what customers want (**maximize**)
 ● **Necessary:** required activities (**minimize**)
 ● **Redundant:** non-essential activities (**remove**)

🔒 Process controls
 ✔ Key controls tested



Appendix: Audit and assurance insights

Our latest thinking on the issues that matter most to Audit Committees, board of directors and management.

KPMG Audit & Assurance Insights

Curated research and insights for audit committees and boards.

Board Leadership Centre

Leading insights to help board members maximize boardroom opportunities

Current Developments

Series of quarterly publications for Canadian businesses including Spotlight on IFRS, Canadian Securities & Auditing Matters and US Outlook reports.

Audit Committee Guide – Canadian Edition

A practical guide providing insight into current challenges and leading practices shaping audit committee effectiveness in Canada.

Accelerate 2023

The key issues driving the audit committee agenda in 2023.

Momentum

A quarterly newsletter with the latest thought-leadership from KPMG's subject matter leaders across Canada and valuable audit resources for clients.

KPMG Climate Change Financial Reporting Resource Centre

Our climate change resource centre provides insights to help you identify the potential financial statement impacts to your business.

IFRS Breaking News

A monthly Canadian newsletter that provides the latest insights on international financial reporting standards and IASB activities.



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KPMG member firms around the world have 227,000 professionals, in 145 countries.



APPENDIX B: 2022 Financial Statements Comparison with Operations Statements

	Audited Statements of Operations	Capital Funding & Amortization	PSAS vs. Internal Capitalization Policy	Adj. (Surplus)/ Deficit	Net Bad Debt Reclass	Extraordinary Losses Reclass	CMHC Capitalized Labour Cost	COVID 19 related expenses	Interim Statements of Operations
Revenue:									
Rental revenue	13,847,990				(976,877)				12,871,113
The Corporation of the City of London:									-
Rental subsidy	12,094,182								12,094,182
Funding adjustment	(16,009)			16,009					-
Business Case 19	1,806,000								1,806,000
Capital funding	4,201,132	(4,201,132)							-
Business Case 18 Co-investment funding	-	-							-
CMHC revenue	456,568	(456,568)							-
Other	523,246								523,246
	32,913,110	(4,657,701)	-	16,009	(976,877)	-		-	27,294,541
Salaries	6,822,096						(119,520)		6,702,575
Maintenance, materials and services	8,323,275		(607,425)			(83,420)		(42,998)	7,589,432
Utilities	4,549,817								4,549,817
Amortization	2,521,838	(2,521,838)							-
Property	6,154,999								6,154,999
Administration	3,007,797		124,372		(976,877)			42,998	2,198,291
	31,379,822	(2,521,838)	(483,053)	-	(976,877)	(83,420)	(119,520)	-	27,195,113
Extraordinary Losses						83,420			83,420
	1,533,288	(2,135,862)	483,053	16,009	-	-	119,520	-	16,008

DRAFT Financial Statements of

**LONDON & MIDDLESEX
COMMUNITY HOUSING INC.**

And Independent Auditor's Report thereon

Year ended December 31, 2022

DRAFT

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of London & Middlesex Community Housing Inc

Opinion

We have audited the financial statements of London & Middlesex Community Housing Inc. (the "Entity"), which comprise:

- the statement of financial position as at December 31, 2022
- the statement of operations for the year then ended
- the statement of change in net debt for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2022, and its results of operations, its change in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

“DRAFT”

Chartered Professional Accountants, Licensed Public Accountants

London, Canada

(date)

LONDON & MIDDLESEX COMMUNITY HOUSING INC.

Statement of Financial Position

December 31, 2022, with comparative information for 2021

	2022	2021
Financial Assets		
Cash	\$ 1,289,054	\$ 2,924,769
Accounts receivable (note 3)	2,350,779	1,040,638
Due from The Corporation of the City of London	1,349,189	994,867
	4,989,022	4,960,274
Financial Liabilities		
Accounts payable and accrued liabilities	4,570,862	4,388,588
Tenant advances	874,437	867,371
Unearned miscellaneous revenue	60,818	61,686
CMHC loan (note 8)	771,000	59,267
	6,277,117	5,376,912
Net debt	(1,288,095)	(416,638)
Non-Financial Assets		
Tangible capital assets (note 7)	64,636,161	62,391,137
Prepaid expenses	966,537	806,814
	65,602,698	63,197,951
Commitments (note 5)		
Accumulated surplus (note 10)	\$ 64,314,603	\$ 62,781,313

See accompanying notes to financial statements.

On behalf of the Board:

Director

Director

LONDON & MIDDLESEX COMMUNITY HOUSING INC.

Statement of Operations

Year ended December 31, 2022, with comparative information for 2021

	2022 Budget	2022 Actual	2021 Actual
Revenue:			
Rental revenue	\$ 12,526,837	\$ 13,847,990	\$ 12,217,135
The Corporation of the City of London:			
Rental subsidy	12,094,182	12,094,182	11,690,441
Funding adjustment	–	(16,009)	(158,265)
Business Case 19	1,806,000	1,806,000	1,494,000
Capital funding	–	4,201,132	2,866,758
Business Case 18 Co-investment funding	–	–	449,442
CMHC revenue	–	456,568	37,891
Other	406,391	523,247	391,418
	<u>26,833,410</u>	<u>32,913,110</u>	<u>28,988,820</u>
Expenses:			
Salaries, wages and employee benefits	6,900,485	6,822,096	6,367,014
Maintenance, materials and services:			
Building, general	4,951,929	6,446,480	5,560,180
Grounds	1,225,000	1,429,266	1,306,839
Painting	300,000	259,746	351,828
Other	173,811	187,783	121,975
	<u>6,650,740</u>	<u>8,323,275</u>	<u>7,340,822</u>
Utilities:			
Electricity	1,996,161	1,980,685	1,938,019
Water	1,434,513	1,500,973	1,392,732
Natural gas	970,572	1,068,159	942,303
Energy saving project rebates	–	–	(306,796)
	<u>4,401,246</u>	<u>4,549,817</u>	<u>3,966,258</u>
Amortization	–	2,521,836	2,345,568
Property:			
Municipal taxes	5,388,084	5,285,587	5,117,741
Insurance	882,477	860,366	800,296
Mortgage payments (note 5)	9,275	9,046	55,652
	<u>6,279,836</u>	<u>6,154,999</u>	<u>5,973,689</u>
Administration	2,601,103	3,007,799	2,176,939
Total expenses	<u>26,833,410</u>	<u>31,379,822</u>	<u>28,170,290</u>
Annual surplus	–	1,533,288	818,530
Accumulated surplus, beginning of year	62,781,313	62,781,313	61,962,783
Accumulated surplus, end of year	<u>\$ 62,781,313</u>	<u>\$ 64,314,601</u>	<u>\$ 62,781,313</u>

See accompanying notes to financial statements.

LONDON & MIDDLESEX COMMUNITY HOUSING INC.

Statement of Changes in Net Debt

Year ended December 31, 2022, with comparative information for 2021

	2022 Budget	2022 Actual	2021 Actual
Annual surplus	\$ —	\$ 1,533,288	\$ 818,530
Acquisition of tangible capital assets	—	(4,766,860)	(2,773,922)
Amortization of tangible capital assets	—	2,521,836	2,345,568
	—	(2,245,024)	(428,354)
Acquisition of prepaid expenses	—	(7,941,652)	(7,575,428)
Use of prepaid expenses	—	7,781,931	7,464,480
	—	(159,721)	(110,948)
Change in net debt	—	(871,457)	279,228
Net debt, beginning of year	(416,638)	(416,638)	(695,866)
Net debt, end of year	\$ (416,638)	\$ (1,288,095)	\$ (416,638)

See accompanying notes to financial statements.

LONDON & MIDDLESEX COMMUNITY HOUSING INC.

Statement of Cash Flows

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 1,533,288	\$ 818,530
Items not involving cash:		
Amortization	2,521,836	2,345,568
Changes in non-cash items:		
Accounts receivable	(1,310,141)	245,554
Prepaid expenses	(159,721)	(110,949)
Due from The Corporation of the City of London	(354,322)	(301,106)
Accounts payable and accrued liabilities	182,274	837,318
Tenant advances	7,066	57,903
Unearned miscellaneous revenue	(868)	(8,696)
	2,419,412	3,884,122
Capital activities:		
Acquisition of tangible capital assets	(4,766,860)	(2,773,922)
Financing activities:		
Issuance of CMHC loan	711,733	59,267
Net increase in cash	(1,635,715)	1,169,467
Cash (bank indebtedness), beginning of year	2,924,769	1,755,302
Cash, end of year	\$ 1,289,054	\$ 2,924,769

See accompanying notes to financial statements.

LONDON & MIDDLESEX COMMUNITY HOUSING INC.

Notes to Financial Statements (continued)

Year ended December 31, 2022

1. Incorporation:

London & Middlesex Community Housing Inc. (formerly London & Middlesex Housing Corporation) (the "Corporation") operates housing accommodation primarily for persons of low and moderate income. The Corporation operates 3,282 units throughout The City of London and the County of Middlesex and is 100% owned by The Corporation of the City of London.

2. Significant accounting policies:

The financial statements of the Corporation are prepared by management in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. Significant accounting policies adopted by the Corporation are as follows:

(a) Tangible capital assets:

- i) Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land, are amortized on a straight line basis over their estimated useful lives as follows:

Asset	Useful Life - Years
Site improvements	25 - 30
Buildings and improvements	25 - 40
Technology and communications	3
Vehicles	10
Furniture and fixtures	10
Machinery and equipment	25
Appliances	10

One half-year's amortization is charged in the year of acquisition.

- ii) Contributions of capital assets:

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt.

LONDON & MIDDLESEX COMMUNITY HOUSING INC.

Notes to Financial Statements (continued)

Year ended December 31, 2022

2. Significant accounting policies (continued):

(b) Revenue recognition:

Rental revenue is recognized at the time the service is provided. Other revenues are recognized when the services are earned.

Government transfer payments are recognized in the financial statements in the year in which the payment is authorized and the events giving rise to the transfer occur, performance criteria are met, and a reasonable estimate of the amount can be made. Funding that is stipulated to be used for specific purposes is only recognized as revenue in the fiscal year that the related expenses are incurred or services performed. If funding is received for which the related expenses have not yet been incurred or services performed, these amounts are recorded as a liability at year end.

(c) Use of estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Significant items subject to such estimates and assumptions include the carrying value of tangible capital assets and the valuation allowances for receivables. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

(d) Budget data:

Budget Figures have been provided for comparison purposes. Given differences between the budgeting model and generally accepted accounting principles established by PSAB, certain budgeted amounts have been reclassified to reflect the presentation adopted under PSAB.

(e) Pension contributions:

The Corporation has a pension agreement with the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer defined contribution benefit plan. The Corporation's costs are the contributions due to the plan in the period.

(f) Contaminated sites:

Under PS 3260, contaminated sites are defined as the result of contamination being introduced in air, soil, water or sediment of a chemical, organic or radioactive material or live organisms that exceeds the environmental standard. This standard relates to sites that are not in productive use and sites in productive use where an unexpected event resulted in contamination.

LONDON & MIDDLESEX COMMUNITY HOUSING INC.

Notes to Financial Statements (continued)

Year ended December 31, 2022

2. Significant accounting policies (continued):

(g) Future accounting pronouncements:

(i) Asset retirement obligations:

PS 3280, Asset Retirement Obligations, addresses the recognition, measurement, presentation, and disclosure of legal obligations associated with retirement of tangible capital assets in productive use. This standard is effective for fiscal years beginning on or after April 1, 2022 (the Corporation's December 31, 2023 year-end).

(ii) Financial instruments:

PS 3450, Financial Instruments, establishes the standards on accounting for and reporting all types of financial instruments including derivatives. The effective date of this standard has been deferred and is now effective for fiscal periods beginning on or after April 1, 2022 (the Corporation's December 31, 2023 year-end).

3. Accounts receivable:

Accounts receivable recorded on the statement of financial position are composed of the following:

	2022	2021
Rent	\$ 1,811,198	\$ 866,432
Allowance for doubtful accounts	(1,014,699)	(433,746)
Harmonized Sales Tax	620,213	430,837
Sundry	934,067	177,115
	\$ 2,350,779	\$ 1,040,638

4. Income producing properties:

The income producing properties held by London & Middlesex Housing Authority and passed through to the Corporation were originally financed by the Province of Ontario through general obligation provincial debentures. At the time of the transfer of ownership the Province did not transfer the responsibility for repayment of these debentures. Accordingly, the value of the provincial debentures associated with them have not been recorded on the Corporation's financial statements.

LONDON & MIDDLESEX COMMUNITY HOUSING INC.

Notes to Financial Statements (continued)

Year ended December 31, 2022

5. Commitments:

(a) Debt service payment:

The Corporation is responsible for the debt service payments on one of its properties located on Bella Street in Strathroy, Ontario. These payments of both principal and interest are made directly to the mortgagee and are expensed when incurred. A total of \$9,046 was expensed and paid in 2022 (2021 - \$55,652). The Ontario government is considered to be the holder of this debt, thus no provision has been made in the Corporation's financial statements for the mortgage. This debt was paid in full in 2022.

(b) Contractual obligations:

The Corporation is committed to the following minimum annual operating lease payments for premises and equipment

2023	\$	601,754
2024		601,754
2025		593,428
2026		151,877

6. Pension agreement:

The Corporation makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), a multi-employer plan, on behalf of its employees. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. In 2022 contribution rates are 9.0% for employee earnings below the year's maximum pensionable earnings and 14.6% thereafter. Employee contributions match these rates.

Contributions to OMERS by the Corporation are recognized as an expense in the period they are incurred. A total of \$467,983 was incurred as pension expense in 2022 (2021 - \$442,277).

The last available report for the OMERS plan was on December 31, 2022. At that time, the plan reported a \$6.7 billion actuarial deficit (2021 - \$3.1 billion), based on actuarial liabilities for \$130.3 billion (2021 - \$120.8 billion) and actuarial assets for \$123.6 billion (2021 - \$117.7 billion). If actuarial surpluses are not available to offset the existing deficit and subsidize future contributions, increases in contributions will be required in the future.

LONDON & MIDDLESEX COMMUNITY HOUSING INC.

Notes to Financial Statements (continued)

Year ended December 31, 2022

7. Tangible capital assets:

Cost	Balance at December 31, 2021	2022 Additions	2022 Disposals	Balance at December 31, 2022
Land	\$ 24,605,751	\$ –	\$ –	\$ 24,605,751
Site improvements	3,672,398	163,573	–	3,835,971
Buildings and improvements	100,820,906	3,528,468	–	104,349,374
Technology and communications	1,726,233	150,294	171,310	1,705,217
Vehicles	48,297	–	–	48,297
Furniture and fixtures	292,385	25,795	–	318,180
Machinery and equipment	3,549,805	767,199	–	4,317,004
Appliances	2,386,264	131,531	–	2,517,795
Total	\$137,102,039	4,766,860	171,310	141,697,589

Accumulated amortization	Balance at December 31, 2021	2022 Disposals	2022 Amortization	Balance at December 31, 2022
Land	\$ –	\$ –	\$ –	\$ –
Site improvements	1,981,328	–	86,137	2,067,465
Buildings and improvements	67,489,151	–	1,873,995	69,363,146
Technology and communications	1,281,542	171,310	304,267	1,414,499
Vehicles	45,882	–	2,415	48,297
Furniture and fixtures	174,565	–	27,039	201,604
Machinery and equipment	1,900,023	–	128,874	2,028,897
Appliances	1,838,411	–	99,109	1,937,520
Total	\$ 74,710,902	\$ 171,310	\$ 2,521,836	\$ 77,061,428

	Net book value December 31, 2021	Net book value December 31, 2022
Land	\$ 24,605,751	\$ 24,605,751
Site improvements	1,691,070	1,768,506
Buildings and improvements	33,331,755	35,986,228
Technology and communications	444,691	290,718
Vehicles	2,415	–
Furniture and fixtures	117,820	116,576
Machinery and equipment	1,649,782	2,288,107
Appliances	547,853	580,275
Total	\$ 62,391,137	\$ 65,636,161

LONDON & MIDDLESEX COMMUNITY HOUSING INC.

Notes to Financial Statements (continued)

Year ended December 31, 2022

8. CMHC credit agreement:

On November 25, 2021, together with the City of London as a guarantor, LMCH entered into a ten-year credit agreement with Canada Mortgage and Housing Corporation (CMHC) to finance repairs and renewal of designated housing units at thirteen sites owned and operated by LMCH. Under the agreement, LMCH will make quarterly drawdowns up to a maximum of \$40,136,090. LMCH plans to draw the full amount by the end of 2027, 39% of the loan will be forgivable. LMCH will be receiving funds in seven tranches each with its specific interest rate. The first Loan Facility was received on December 9, 2021 with the applicable interest rate for a Repayable Loan of 1.84% for the first tranche, second tranche was received in 2022 bear interest of 3.01%. CMHC received funding is allocated to three areas: Energy efficiency, Accessibility and Property Repairs & Renewals. LMCH has an option to extend the term of any of the repayable loans for an additional ten years. At this time the intention is to pay each tranche back to CMHC after the first ten years and waive the option to extend.

	2022		2021	
Repayable Loan Tranche 1	\$	58,336	\$	59,267
Repayable Loan Tranche 2		712,664		-
	\$	771,000	\$	59,267

Forgivable loans in the amount of \$455,638 (2021 - \$37,891) were received during the year and were reflected as CMHC revenue on the statement of operations. Should the Corporation not meet certain requirements throughout the term of the loans they may be required to repay these amounts.

9. Capital allotment:

An approved capital allotment is managed by the City of London to finance future capital expenditures. The allotment has not been recognized in these financial statements and will be accounted for as the funds are received and expensed.

	2022		2021	
Opening balance	\$	6,308,910	\$	3,856,956
Contributions during the year		6,525,000		5,614,000
Capital expenditures		(3,426,633)		(3,162,046)
	\$	9,407,277	\$	6,308,910

LONDON & MIDDLESEX COMMUNITY HOUSING INC.

Notes to Financial Statements (continued)

Year ended December 31, 2022

10. Accumulated surplus:

	2022	2021
Surplus:		
Business Case 18 Co-investment Funding	\$ 449,442	\$ 449,443
CHMC loan	(771,000)	(59,267)
Invested in tangible capital assets	64,636,161	62,391,137
	<u>\$ 64,314,603</u>	<u>\$ 62,781,313</u>

11. Contingencies:

The Corporation is subject to certain actual and potential legal claims, which have arisen in the normal course of operations. It has been determined by management that the outcome of these claims is not determinable at this point and as such no amount has been included in these financial statements.

LONDON & MIDDLESEX COMMUNITY HOUSING INC.

Notes to Financial Statements (continued)

Year ended December 31, 2022

DRAFT

STAFF REPORT 2023-30

TO: LMCH Board of Directors

FROM: Diana Taplashvily, Director of Finance and Corporate Services

SUBJECT: Purchasing Policy Update Approval

DATE: May 11, 2023

PURPOSE:

To provide the LMCH Board of Directors with an update and recommendations on the Purchasing Policy.

RECOMMENDATION:

That the LMCH Board of Directors:

1. **RECIEVE** the report for information
2. **APPROVE** the Purchasing Policy Update;
3. Authorize LMCH staff to take the necessary action to give effect to the above recommendations.

BACKGROUND:

The Purchasing Policy was originally drafted and approved by the Board back in 2018 (**Attachment A**) and this is first update presented to the Board.

FINANCE COMMITTEE UPDATE:

The Finance Committee met on May 10, 2023, to review the Purchasing Policy Update and report. After a review from the Director, Property Services & Asset Management was given, the Committee members discussed report details on approval limits and updates made to the policy. The Finance committee approved a recommendation to forward the report to the Board of Directors for approval.

OVERVIEW:

LMCH staff have completed work on several initiatives in the areas of Internal Control and Governance at the request of the Board to support good governance. The Purchasing Policy sets out the rules and procedures for competitive acquisition of goods and services by LMCH. This policy is important to maintain transparency and well managed day to day operations. This report will provide an update on this initiative.

The previous Purchasing Policy had not been updated since 2018 and subsequently the Board requested that the review be completed to determine the best practices for procurement.

The recommendations provided by LMCH are meant to provide an opportunity for stakeholders to provide input on policies and practices to help direct the Board of Directors decision making process.

Purchasing Policy

Based on our results, the policy will include the changes or additions based on best practices in the sector, in the following sections of the existing policy:

3.3 Competitive Bids

This section has been updated to clarify that if the procurement is made through a cooperative purchasing venture then three separate quotes are not required.

“The above is not applicable when the purchase is made from a cooperative purchasing venture, as a public competitive bidding process has been completed, and all RFP and award documentation is available on the website of the collaborative sourcing partner.”

4.2 Purchase Authorization Limits

The specific spending authorities of individual staff have been removed from this section and broken out in a separate Appendix to the Policy to improve clarity on spending authorities.

4.3 Board of Directors Approval

This section has been updated to increase the commitment authority for the CEO in for budgeted and approved capital expenditures. Capital projects and budgets are approved annually by the Board of Directors. The approval of the project budget will be deemed sufficient authority for the CEO to commit the funds through the required procurement process. The CEO will be required to:

- Get approval of the Finance and Audit Committee if project change orders exceed 20% of the approved budget; and
- Get Board of Director approval for all commitments of \$500,000 or greater.

5.0 Procurement Process subsections

Changes to the following sub-sections of expenditures:

- 5.1 Expenditures up to \$9,999.99 - this subsection range has been increased from \$5,000 to \$9,999.99 and new requirement added to fill out Single/Sole Source Justification form for orders higher than \$5,000.
- 5.2 Expenditure from \$10,000 up to \$24,999.99 – this subsection range has been modified and lower limit increased to \$10,000 from original \$5,000; modified language for three bids/quotes from “whenever possible” to “should have”.
- 5.18 Corporate Purchasing Cards / Credit Cards – updated policy brings clarity to the process, identifies card holders and sets the process for specified card holders and card limit process.

These changes have been added to our Purchasing Policy which has been attached as **Appendix B** to this report. An updated Purchase Authorization Limits **Appendix C**.

ATTACHMENTS

APPENDIX A: LMCH Purchasing Policy

APPENDIX B: Purchasing Policy Guidelines Updated Apr 18

APPENDIX C: Purchase Authorization Limits April 17, 2023

PREPARED and RECOMMENDED BY:	STAFF CONTACT:
DIANA TAPLASHVILY, Director of Finance and Corporate Services	SHERRY TUNKS, Procurement Manager

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RELATED DOCUMENTATION

Legislation	N/A
Collective Agreement	N/A
Forms	<ul style="list-style-type: none"> • Tender Documents • Business Case Template • Purchase Orders • Work Orders
Policies	<ul style="list-style-type: none"> • Conflict of Interest Policy • Travel and Business Expense Policy
Other Resources	<ul style="list-style-type: none"> • National Institute of Governmental Purchasing (NIGP) http://www.nigp.org/home/about-nigp/who-we-are/code-of-ethics • Supply Chain Management Association of Canada http://scma.com/on/about/code-of-ethics • Ontario Public Buyers Association https://www.opba.ca/chapters/nigp-opba/documents/codeofethics04.pdf • Government of Canada Business Case Guide https://www.canada.ca/en/treasury-board-secretariat/services/information-technology-project-management/project-management/business-case-guide.html

1.0 PURPOSE

The main objectives of this policy and associated procedure guidelines are to outline London & Middlesex Housing Corporation (LMHC)'s responsibilities, procedures, accountability and levels of authority for the issuance and control of budget funds.

2.0 SCOPE

This Policy applies to everyone purchasing goods and services on behalf of LMHC. It is the responsibility of the CEO and Departmental Directors to ensure that provisions of the Purchasing Policy are adhered to in the normal course of business.

The Purchasing Policy is to be reviewed by the Director of Corporate Services every two years with any changes being reviewed and approved by Senior Management Team and/or the Board of Directors as may be appropriate

Further the Purchasing Policy is subject to review and amendment from time to time giving consideration to emergent issues and/or trends respecting public procurement, providing clarity in the application of the purchasing policy and protocols and/or at the direction of the Board of Directors.

All amendments to the Purchasing Policy will be communicated (written) to all staff involved in the procurement process and/or subject to the Policy requirements in the completion of their duties.

The Purchasing Policy is to be posted providing ready reference to all Management and Administrative staff engaged in the procurement process.

3.0 POLICY STATEMENT

The policies and guidelines are predicated on the following principles, noting they are to be applied in a balanced manner, giving due regard to standards/requirements as set out in this policy recognizing the principles may be competing in nature:

- to, where appropriate, given the extent of the investment required, a business case is to be prepared consistent with the Government of Canada Business Case Guide
- to procure the necessary quality and quantity of goods and services in an efficient and effective manner which supports LMHC's business (service) objectives, safeguards Board of Directors interest, and mitigates Board of Directors liability
- to provide for the most open bidding process practicable in the circumstances for the acquisition and disposal of goods and services
- to procure the required goods and services with due regard to the preservation of the natural environment, i.e. due consideration to the purchase of goods that are considered pre and post use environmentally friendly
- to select successful bids subsequent to critical assessment of the respective compliant bids based upon predetermined criteria for the goods and services being acquired. Price is one such criterion, but is not the sole determinant.
- to, where appropriate, given the extent of the investment required, support the need for and the purchase of goods and services based upon a business case assessment
- to support and develop private / public business opportunities where there is shared benefit and risk to each of the parties and where there is net economic advantage versus alternatives, including consideration of timing
- to support and develop cooperative purchasing ventures with other public institutions where such ventures support all or some of the following, in a balanced fashion:
 - the timely delivery of goods and services
 - the receipt of a quality product and/or service (both pre and post-delivery)
 - mitigates administrative resource requirements
 - provides favourable competitive pricing
 - positive impact on inventory level requirement

The London & Middlesex Housing Corporation encourages innovation and the use of technology which meet LMHC specifications and industry standards in order to ensure the utilization of the most efficient and effective processes and practices.

The code of purchasing ethics established by the National Institute of Governmental Purchasing (NIGP), the Supply Chain Management Association of Canada (SCMA) and the Ontario Public Buyers Association (OPBA) shall apply to all staff involved in the procurement process.

3.1 OFFICIAL POINT OF PURCHASING CONTACT AND LOBBYING PROHIBITION

- a. LMHC 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 purchaser (or designate). Should it be necessary or desirable to have a contact person to respond to technical issues that person shall be named in the competitive bid documents. All communications will be made by these individuals and during the procurement process, no bidder or person acting on behalf of the bidder or group of bidders shall contact any elected official, consultant or any employee of the LMHC, including the Board of Directors 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 of Directors Member, consultant or employee of the LMHC for such purposes as meetings of introduction, social events, meals or meetings related to the selection process, shall result in disqualification of the bidder for the project to which the influential activity is deemed to be directed. Notwithstanding the foregoing, this prohibition does not apply to meetings specifically scheduled by the purchaser for presentations or negotiations. Any bidder found to be in breach of this Policy shall be subject to immediate disqualification from the procurement process and may be prohibited from future opportunities at the discretion of LMHC.
- b. In addition, no bidder who has been awarded the contract shall engage in any contact or activities in an attempt to influence any elected official or any employee of LMHC with respect to the purchase of additional enhancements, options, or modules. However, a contractor may communicate with the purchaser (or designate), or departmental Director for purposes of administration of the contract during the term of the contract.
- c. The determination of what constitutes influential activity is in the sole discretion of LMHC, acting reasonably, and not subject to appeal.
- d. Contract award decisions shall be based on clear, transparent and objective criteria that is applied free from political considerations or political interference.

3.2 INTERFERENCE IN THE PROCUREMENT PROCESS

- a. Board of Directors Members, officers and employees shall not knowingly cause or permit anything to be done or communicated to anyone in a manner which is likely to cause any potential supplier to have an unfair advantage or disadvantage in obtaining a contract for the supply of goods and/or services to LMHC. This also includes a contract with any other municipality, local board or public body involved in the purchase of goods and/or services either jointly or in cooperation with the Board of Directors.
- b. Members of the Board of Directors shall separate themselves from the procurement process and have no involvement whatsoever in specific procurements. Members of the Board of Directors 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 Chief Executive Officer (CEO).
- c. The only exception to the above relates to selection of external auditors whereby Members of the Board of Directors may be part of the evaluation team.

3.3 COMPETITIVE BIDS

As a general rule, a minimum of three bids are to be obtained for the purchase of goods and services.

The bids for goods and services may be obtained on an informal basis. The purchaser (or designate), in consultation when necessary with the respective department Director, will deem what appropriate bid document is to be used to facilitate the formal purchase of goods and services, i.e. Request For Tender, Request For Quotations or Request For Proposal.

On occasion, as necessitated by the circumstances, departmental staff, through the respective department Director, or designate, facilitating a purchase, will provide supporting documentation of three bids being obtained. The documentation will be provided with the request for the issuance of a purchase order, which is to be arranged by the purchaser (or designate).

Unsolicited proposals received by departmental staff shall be forwarded to the purchaser along with any recommendations for evaluation.

3.4 NON COMPETITIVE PURCHASES

The requirement for a competitive bid process for the selection of a supplier for goods, services and construction may be waived under authority of the Departmental Director and the CEO and, as appropriate, the Board of Directors and replaced with direct negotiations by the purchaser (or designate), Directors and/or CEO under the following circumstances.

3.4.1 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, licence, 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.

3.4.2 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. There is a need for compatibility with goods and/or services previously acquired or the required goods and/or service will be additional to similar goods and/or services being supplied under an existing contract (i.e. contract extension or renewal);
- d. The required goods and/or services are to be supplied by a particular supplier(s) having special knowledge, skills, expertise or experience;
- e. The goods are purchased under circumstances which are exceptionally advantageous to LMHC, such as in the case of a bankruptcy, receivership;
- f. It is advantageous to LMHC to acquire the goods and/or services from a supplier pursuant to the procurement process conducted by another public body;
- g. It is advantageous to LMHC to acquire the goods and/or services directly from another public body or public service body; and/or
- h. Where, due to abnormal market conditions, the goods and/or services required are in short supply.

3.5 SUPPLIER REPRESENTATIVES

The selection of sources of supply will be as determined by this policy. Sales representatives will not attend work areas without the prior approval of an LMHC employee. Such representatives must comply with all LMHC safety and security policies and procedures. Any samples provided by supplier representatives must meet all LMHC requirements including health and safety requirement such as MSDS's.

3.6 NON ARMS LENGTH TRANSACTIONS

The following provisions apply with respect to non-arm's length transactions (cross reference LMHC Conflict of Interest Policy):

- The purchase by LMHC, of any goods or services, for personal use by or on behalf of any LMHC employee or elected official or their families is prohibited unless same is approved by the Board of Directors and/or covered by a related LMHC policy.
- The purchase of surplus/obsolete LMHC assets by any LMHC employee or by a member of an employee's immediate family is prohibited unless same is approved by the Board of Directors and/or covered by a related LMHC policy.
- LMHC employees or immediate family members bidding on products and services to be purchased by the LMHC is prohibited, unless same is approved by the Board of Directors and/or covered by a related LMHC policy.

3.7 GIFTS, GRATUITIES AND SUPPLIER SPONSORSHIP / CONTRIBUTIONS / DONATIONS

No LMHC employee or member of his or her immediate family may accept personal gifts, special accommodations, or use of property or facilities from anyone with whom the employee is negotiating business on behalf of LMHC. Generally, this excludes normal suppliers' promotional material having a value of less than \$100. In no instance will a LMHC employee or member of his or her immediate family accept cash. The Director of Corporate Services and/or the CEO is to be advised of gifts, special accommodations, or use of property or facilities of between \$45 and \$100.

Supplier sponsorship/contributions of/to LMHC activities/events are solicited/received with express understanding that the contribution is provided as goodwill and without guarantee or commitment to purchase products or services from the respective supplier. Supplier donations are limited to three (3) LMHC sponsored activities/events in a given fiscal year.

3.8 DISPOSAL/REMOVAL/TRANSFER OF LMHC ASSETS

3.8.1 Surplus Equipment and Inventory

All departmental staff shall notify management when items become obsolete or surplus to their requirements.

The Department Director will inquire of other departments if the items can be of use to another department rather than disposed of.

Items that are not claimed for use by another department and of significant value will be offered for sealed bids, public auction or other public sale. Departmental Managers, with the approval of the Departmental Director, will be responsible for determining the most suitable method of disposal.

Depending upon the assets being disposed of, Board of Directors approval of the disposal may be required. The Director of Corporate Services or the CEO will be responsible for making the determination if Board of Directors approval is required.

The revenue from the sale of obsolete or surplus equipment shall be credited to the appropriate revenue account as proceeds from the sale of assets.

3.8.2 Scrap Material

Where scrap material is available for disposal, the respective Department Director (or designate) shall be responsible for its disposal.

The Department Director (or designate), after determining the value and possible alternate uses of the scrap material, may dispose of the material by either general advertising to secure bids, direct contact with the appropriate dealers to view the scrap and submit offers to purchase, public auction, or other methods as deemed appropriate. The revenue from the sale of scrap material shall be credited to the appropriate revenue account.

3.8.3 Warranty Recovery

All items that have failed within the manufacturers' warranty period are to be claimed back to the manufacturer or supplier for credit or replacement along with the appropriate amount of labour hours.

3.8.4 Inventory Transfer

From time to time it may be necessary to transfer parts or supplies from one LMHC location to the other. When this is required, the proper controls and paperwork must be in place.

3.9 DIVISION OF PURCHASING CONTRACTS

The division of contracts for the purchase of products and/or services to avoid the provisions of this policy is prohibited.

3.10 PERIOD OF CONTRACT AWARD

As a general rule, agreements for the purchase of products, supplies and/or services are not to exceed 5 years in duration. The exercising of renewal options, extending the period beyond 5 years or negotiating an extension, without the benefit of public tendering proposal/quotation process, have to be approved by the Board of Directors before same becomes binding.

3.11 POLICY CLARIFICATION

Any issues / questions relating to the meaning or application of the policy and/or guideline statements are to be submitted to the Director of Corporate Services or the CEO for clarification and response.

3.12 POLICY AMENDMENTS

The provisions of this policy/guidelines statement may be subject to amendment from time to time. Should amendments be considered necessary, such amendments are to be consistent with the "General Policy Statement" as set out in Section 3.0 and are subject to the approval of the Director of Corporate Services and the CEO, and, where appropriate, the Board of Directors.

3.13 GOODS AND SERVICES NOT SUBJECT TO THIS POLICY

- Payroll and Payroll deductions
- Training and Education
- Refundable Employee Expenses in accordance with the Travel and Business Expense Policy
- Utilities, including water, electricity and natural gas
- Tax Remittances, WSIB Remittances
- Postage
- Banking Services (where covered by agreements)
- Office equipment lease charges (where covered by agreements)
- Hot water heater rental charges (where covered by agreements)

- Fare media purchases
- Insurance Premiums, Claim Settlements and Adjuster Services
- Employee Group Benefits, Compensation, Programs, Consulting and Reviews
- Ongoing maintenance and actions to maintain present functionality of existing computer hardware and software.

4.0 AUTHORITY AND RESPONSIBILITY

4.1 LMHC MANAGEMENT AND STAFF

All LMHC staff delegated with purchasing and/or approval authority shall:

- Follow the guidelines as set out in this document.
- Coordinate, in a manner consistent with this policy, the procurement of all goods and services consumed by LMHC, exclusive of those relating to the supply of labour.

Procurement activities shall be subject to all applicable LMHC policies, 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 a departmental Director or the CEO from recommending an award to LMHC where:

- in the opinion of the CEO, or departmental Director, it is in the best interest of LMHC to do so; or;
- it is a matter of procurement procedure and, in the opinion of CEO, or departmental Director, it is in the best interest of LMHC to do so.

4.2 PURCHASE AUTHORIZATION LIMITS

For the purchase of goods and/or services, including those not specifically addressed in this policy, the authorization limits, as listed below will apply.

Manager	up to \$10,000
Director	up to \$25,000
CEO (or Designate)	up to \$75,000

The limits apply to those goods and services contained in the approved operating budget programs and subject to the procurement of same in accordance with the provisions of this document.

LMHC's organizational chart should be referred to for descriptions of Manager, and Director Positions.

4.3 BOARD OF DIRECTORS APPROVAL

Formal Board Finance and Audit Committee Approval is required for all capital work/materials purchased of \$75,000 or greater and is subject to the confirmation of the Board of Directors. Formal Board of Directors confirmation is required for all Capital costs exceeding \$500,000 and operating contracts for the supply of goods and/or services where the cost of such contract is greater than \$75,000 on an annual basis or \$300,000 if over multiple years, exclusive of those purchases relating to inventory items. Such goods and services include but are not restricted to the following:

- Lease space requirements
- Brokerage services
- Security services
- Equipment / building service contracts
- Consulting services costing.

In such situations, the recommended purchase will be subject to the appropriate tendering or request for proposal/quotation process with the appropriate public report being prepared. The recommendation for such purchases is the responsibility of the respective department Director or designate, noting such recommendations and reports are to be reviewed and approved by the CEO or designate.

All such reports must:

- State that the request for tender, proposal or quotation was issued and processed in accordance with established procedures
- Identify all compliant and non-compliant bidders
- State that the compliant bidders met all specifications and general terms and conditions as provided in the tender, proposal or quotation document
- Identify any exceptions or qualifying conditions to the general terms and conditions of the tender, proposal or quotation document proposed by any bidder
- Include a summary of all the submissions.

Given the timing of Board of Directors and Board Committee meetings, with the approval of the CEO or designate, such purchases may be authorized prior to formal Board of Directors approval, by polling the Board of Directors/Board Committee members via telephone, e-mail or online platform, with formal approval being requested as a confirming action at the earliest opportunity.

4.4 EMERGENCY PURCHASES

In cases of emergency, defined to include:

- An imminent or actual danger to the life, health or safety of an official or an employee while acting on LMHC's behalf.
- An imminent or actual danger of injury to or destruction of real or personal property belonging to LMHC.

- An unexpected interruption of essential services.

a Director or designate, may initiate a purchase order in excess of the expenditure limit, noting any purchase order issued under such conditions, together with a source of funding confirmed / approved by the Director of Corporate Services or the CEO (or designate) shall be justified and reported to the next meeting of the Board of Directors following the date of the requisition.

4.5 CONFLICTS OF INTEREST

No member of the Board of Directors or employee of LMHC shall have any pecuniary or controlling interest either direct or indirect in any competitive bid or contract for the supply of goods or services to LMHC, 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.

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 purchaser (or designate). 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 member of the Board of Directors or employee of LMHC in the contract, the contract may be cancelled at any time by LMHC in its entire discretion without damages or penalty.

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;

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:

- 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.
- Has a controlling interest in or is a Director or Senior Officer of a corporation that offers securities to the public.

For the purposes of this section, a member of the Board of Directors or employee of LMHC 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 LMHC.

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 member of the Board of Directors or employee shall, if known to the person, be deemed to be also the pecuniary interest of the elected official, appointed officer or employee as the case may be.

5.0 PROCUREMENT PROCESS

The Purchaser will be responsible for co-ordinating all aspects of the procurement process. Due to the nature, complexity and level of expertise required of certain request for tenders or proposals, it may be appropriate for an outside consulting firm to co-ordinate the procurement process under the guidance of the respective Director and with the approval of the CEO.

When a consulting firm is used to co-ordinate the procurement process, the Purchaser must be informed of all developments in the process.

No expenditure shall be made without following the procurement guidelines outlined below:

5.1 EXPENDITURES UP TO \$5,000

Work and/or materials purchased within this limit may be sole-sourced from LMHC's list of rotational contractors providing same adheres to LMHC's predetermined labour/material mark-up rates. Mark-up rates are to be reviewed adjusted every three years.

5.2 EXPENDITURES FROM \$5,000 UP TO \$25,000

Work and/or materials purchased within this limit require a purchase and/or work order issued by the buyer, who may purchase at their discretion; whenever possible, this should be done utilizing a minimum of three (3) written bids from a pre-approved list of suppliers. Detailed description of the scope of services and/or materials, or reference to a previous purchase/work order, is required.

5.3 EXPENDITURES BETWEEN \$25,000 AND \$75,000

Work and/or materials purchased within this limit require that a formal request for written quotations be issued. Award of the work/materials shall be through a purchase and/or work order issued by the buyer. The purchase/work order must contain a detailed description of the scope of work and/or specifications.

5.4 EXPENDITURES GREATER THAN \$75,000

Work and/or materials purchased within this limit require a formal request for a public or invitational tender. Note: invitational tenders are to be used only in situations where the services/materials required are available from a limited number of qualified contractors (e.g. elevator maintenance). A full set of bid submission documents and specifications is required. Award of the work/ materials shall be through a letter of award and/or purchase/work order, executed by the CEO, and clearly referencing the bid submission documents and specifications.

5.5 COST INCREASES

Specific cost increases to identified and previously approved capital expenditures (project), including change orders to an existing contractor, or work and/or materials to a new supplier within the context of the existing project, shall be considered part and parcel of the existing project, and the purchasing limits and procurement process for the new work shall be as described for the original work, above.

5.6 HOLDBACKS ON CAPITAL PROJECTS

On any capital project that has been awarded at a value of greater than \$50,000, a holdback of 10% shall be withheld from each project payment to the contractor. All holdbacks shall be retained by London & Middlesex Housing Corporation for a period of 45 days from the date of substantial project completion.

5.7 DOCUMENTATION FORMAT

All formal requests for tender, proposal or quotation documents shall adhere to LMHC Purchasing & Procurement Documentation Guidelines (Appendix A).

5.8 INSURANCE AND INDEMNIFICATION

With regard to the size, nature or complexity of the tender or proposal, bid deposits, performance bonds and insurance may be required of the bidder to guarantee the execution and performance of the contract, as well as, provisions for liquidated damages, progress payments and holdbacks and allowances.

A Bid Deposit is to guarantee entry into a contract and should normally be for an amount equal to 10% of the bid amount.

A Performance Bond is to guarantee the faithful performance of the contract and should normally be for an amount equal to 50% of the bid amount.

A Labour & Material Bond is to guarantee the payment for labour and materials to be supplied in connection with the contract and should normally be in an amount equal to 50% of the bid amount.

Prior to commencement of work and where deemed appropriate, evidence of insurance coverage must be obtained from the successful bidder ensuring indemnification of the LMHC from any and all claims, demands, losses, costs or damages resulting from the performance of a supplier's obligations under the contract.

5.9 SINGLE BID RECEIVED

In the event only one submission is received, the purchaser may return the unopened bid to the bidder when, in the opinion of the purchaser and the respective Manager or Director, a more reasonable number of bids might be expected if the process is revisited.

In returning the unopened submission, the purchaser shall inform the bidder that LMHC may issue a subsequent call for submissions.

In the event that only one bid is received in response to a call/request for tender, proposal or quotations, the bid may be opened and evaluated in accordance with the LMHC's usual procedures when, in the opinion of the purchaser and the respective Manager or Director, the bid should be considered by the Board of Directors.

5.10 OPENING OF SUBMISSIONS

The Purchaser will be responsible for arranging the opening of all requests for “tender, proposal or quotation” submissions and will attend all openings in attendance with either an LMHC staff member, manager, department director, CEO or member of the Board of Directors.

5.11 BID IRREGULARITIES

Subsequent to the opening of the submissions, the submissions shall be referred to the Purchaser for validation of adherence and compliance to the general terms and conditions of the bid request. Any submissions found to be non-compliant will be marked as such and not evaluated but will be noted in any internal recommendation reports and Board of Directors reports. The following chart provides an outline of potential bid irregularities and the subsequent LMHC response:

IRREGULARITY	RESPONSE
Late bids.	Automatic rejection, not read publicly and returned unopened to the bidder.
Unsealed envelopes.	Automatic rejection
Insufficient financial security (no bid deposit or insufficient bid deposit).	Automatic rejection
Failure to include the name of the bonding company (if required)	Automatic rejection
Failure to provide a letter of agreement to bond where required.	Automatic rejection
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
Documents, in which all necessary addenda have not been acknowledged.	Automatic rejection
Failure to attend mandatory site visit.	Automatic rejection
Failure to include an original signature of the person authorized to bind the bidder in the space provided in the bid documents.	Automatic rejection
Conditions placed by the bidder on the total contract price.	Automatic rejection

Bids containing minor mathematical errors	<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 the Board of Directors adversely may be rejected.</p>
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5.12 EVALUATION AND RECOMMENDATION

The Purchaser will refer the acceptable (compliant) bids to the respective Director or designate for evaluation and recommendation.

The evaluation process will be based on, but not limited to, the following criteria;

- The bidders understanding of the purpose and nature of the procurement opportunity
- The specific experience/expertise of the bidder
- Reference checks
- Timelines
- Bid price
- Assessment of impact on operations and related costs. The assessment considers the ancillary operating and capital cost impact associated with the procurement, noting the inclusion of same recognizes that the bid price is not the sole financial input to the assessment process.

The evaluation process may also include a scoring system based on the components of procurement opportunity.

The applicable Board of Directors report and/or internal report will clearly indicate:

- That the tender proposal or quotation was issued and processed in accordance with established procedures as set out in Section 5 of this Policy Statement;
- Tenders, proposals or quotations in whole or in part that were not in compliance with the tender, proposal or quotation call including where an alternative(s)/ option was provided by the

Bidder, and where such non-compliance or alternative option was sufficient to warrant rejection of the submission;

- Summary of bid assessment results consistent with requirements of Section 5;
- The report recommendation will indicate the name of the successful bidder, the amount of the bid (exclusive of applicable taxes, source of funding and the basis for the recommended award) i.e. "low compliant bid"

5.13 AWARD OF CONTRACT

The culmination of the process will result in the awarding of the contract to the successful bidder. This may take the form of a Purchase Order or a formal, signed contract or simply an acknowledgement letter incorporating the terms and conditions of the relevant award. The terms, conditions and specifications of the tender, proposal or quotation document will always form part the contract.

LMCH 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 Purchaser prior to the award of the contract. Disputes shall be resolved by a meeting or meetings with the Purchaser, Manager, Directors and/or the CEO and, as appropriate, the Board of Directors.

Unsuccessful proponents may, upon their request, attend a debriefing session with the purchaser prior to the award of the contract. Disputes shall be resolved by a meeting or meetings with the Purchaser, Manager, Directors and/or the CEO 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.

5.14 PUBLIC RELEASE OF SUBMISSION INFORMATION

All submissions, except detail costing and certain proprietary information, as declared by the bidder shall be public information at the time LMHC has reached a decision on the submission.

5.15 CONFIDENTIALITY OF PROPRIETARY INFORMATION

All records and information pertaining to bid submissions which reveal a trade or scientific, technical, commercial, financial or other labour relations information, supplied in confidence implicitly or explicitly, shall remain confidential if the disclosure could reasonably be expected to:

- Prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons, or organization;
- Result in similar information no longer being supplied to LMHC where it is in the public interest that similar information continue to be so supplied;
- Result in the undo loss or gain to any person, group, committee or financial institution or agency;
or
- Result in information whose disclosure could reasonably be expected to be injurious to the

financial interests of LMHC.

5.16 APPOINTMENT OF PROFESSIONAL CONSULTING SERVICES

Senior management staff will be involved in the selection process for Professional Consulting Services. Specifically, Directors are to be involved as appropriate for high-profile projects of increasing complexity or expense.

The development of service (working) arrangements with consultants are permitted, recognizing that such arrangements result from an initial contract award that was subject to the terms of this policy. Such service (working arrangements), which may run for an extended period of time will be subject to LMHC review and approval every two years, noting the purpose of the review is to ensure that service (working arrangements) are both effective and efficient.

Under this section, all professional consultant proposals must include, at minimum:

- Schedule of fees;
- Methodology and timeline to complete project;
- Demonstrated experience and qualifications required to perform project; and
- List of personnel who will be directly involved in the completion of the project.

If a consulting engagement that has been awarded administratively then exceeds the approval threshold of \$75,000, the CEO shall immediately prepare a report to the Board of Directors providing a status update and requesting approval to proceed (if applicable).

The Director shall be responsible for ensuring that any substantive clause changes to the standard consulting services agreement are reviewed by the Board of Directors' legal counsel.

The Director and/or Purchaser shall be responsible for obtaining and keeping on file the appropriate insurance and WSIB documents.

The Director responsible for the project shall be responsible for ensuring that all proposal responses and decision making rationale are retained in the appropriate contract files for a minimum of two (2) years.

5.17 BLANKET PURCHASE CONTRACTS

A Request for a Blanket Purchase Contract may be used where:

- One (1) or more clients repetitively order the same goods or services and the actual demand is not known in advance; and
- A need is anticipated for a range of goods and/or services for a specific purpose, but the actual demand is not known at the outset, and delivery is to be made when a requirement arises.

The purchaser shall establish and maintain Blanket Purchase Contracts that define source and price with selected suppliers for all frequently used goods or services.

To establish prices and select sources, the purchaser shall employ the provisions contained in this Policy for the acquisition of goods and/or services and construction labour and materials.

More than one (1) supplier may be selected for the supply of goods and/or services where it is in the best interests of the Board of Directors.

Where procurement action is initiated by a department for frequently used goods or services, it is to be made with the supplier or suppliers listed in the Blanket Purchase Contract.

In a Request for Blanket Purchase Contract, the expected quantity of the specified goods or services to be purchased over the time period of the agreement will be as accurate an estimate as practical and be based, to the extent possible, on previous usage adjusted for any known factors that may change usage.

5.18 PURCHASING CARDS

General

Departmentally approved employees will be issued Purchasing Cards to use for low-dollar goods and/or services in support of sound business practices. Purchasing Card provision is based on the need to purchase goods and services LMHC and the card may be revoked based on change of assignment or location. The provision of a Purchasing Card is not an entitlement nor reflective of title or position.

Benefits of the Corporate Purchasing Card program accrue at the Corporate Finance level by reducing the number of invoices and cheques processed and at the supplier level by reducing their invoicing LMHC and the turnaround time for payment.

No employee shall use a Purchasing Card to purchase goods and/or services unless appointed and authorized by the employee's Director. Any use of a Purchasing Card shall be in accordance with the Procurement of Goods and Services Policy and all other applicable Board of Directors policies. Directors are ultimately responsible for ensuring that purchases within their department are made in accordance with the applicable by-laws and policies.

A Purchasing Card will be issued once the employee has read, signed and submitted the Cardholder Agreement Form to the Program Administrator, which sets out in writing the employee's responsibilities and restrictions regarding the use of the Purchasing Card.

All Purchasing Cards issued will have a predetermined "single transaction limit", a "monthly credit limit" and "blocked commodities" as determined and authorized by the CEO and Director of Corporate Services. All Purchasing Cards will be blocked from obtaining cash advances.

The dollar limit for individual purchases and monthly spending limit for each employee will be determined by the Director of their department based on their expected level of procurement and type of procurement. Cardholder limits for single or monthly transactions exceeding \$10,000 must be approved in writing by the Director of Corporate Services.

Suppliers will not be rejected for refusing to accept the Purchasing Card.

LMHC assumes liability for all authorized charges on the Purchasing Cards, not the individual cardholder.

Program Administration, Audit and Monthly Reconciliation

Oversight and administration of the Purchasing Card program is the responsibility of Director of Corporate Services. The Finance Manager will maintain a master list of all Purchasing Cards and their limits.

All transactions are subject to review by the Finance Manager to ensure compliance with the Procurement of Goods and Services.

All requests for Purchasing Cards, maintenance forms and other documents are to be submitted to the Finance Manager for review and processing. With the exception of Cardholder Disputes, no cardholder or cardholder representatives are permitted to submit forms directly to the bank. All original cardholder agreements and other cardholder maintenance forms are to be maintained by the Finance Manager.

Cardholder Disputes are to be submitted to the bank by the cardholder or cardholder representative and a copy of the dispute sent to the Finance Manager.

Payment will automatically be processed by the Finance Manager following the monthly statement date. If individual cards have not been reconciled and approved for payment by the deadline each month, expenditures will be charged directly to the default cost center attached to the card. Departmental representatives are responsible to ensure that the statement is submitted and the expenditures are allocated to the correct general ledger accounts.

Reconciled and authorized monthly statements are to be submitted to the Finance Department no later than the last working day of the month. Each transaction must include an explanation or purpose of the expenditure.

Cardholders shall provide itemized receipts for each transaction with the monthly cardholder statement.

The Purchasing Card shall not be used:

- for any purchase of goods and/or services that are prohibited under the Procurement of Goods and Services Policy;
- for personal use other than incidental personal use as part of a business expense, which must be reimbursed at the time of the monthly reconciliation;
- when the total purchase price exceeds the single purchase limit on the card;
- when an exclusive contract with another vendor is in effect for the goods and/or service (unless pre-authorized in writing by the Purchaser(or designate));
- for items which are stocked at LMHC Stores except under extenuating circumstances; and,
- for computer software or hardware or telecommunications equipment such as telephones, and cellular phones except by designated staff in the Information Technology Department.

The following items require pre-authorized written approval by the cardholder's Director or the CEO:

- The purchase of prepaid gift cards, prepaid gift certificates, prepaid grocery cards, or any other prepaid merchant cards; or,
- The purchase of alcohol while on LMHC business, team building, employee appreciation, or otherwise.
- A copy of the written approval must be included with the monthly statement when submitted to the Finance Department.

Individual transactions are not to be subject to splitting or stringing, which is the practice of committing multiple purchasing card transactions to circumvent delegated authority levels and thus bypassing LMHC's competitive bidding process, nor are Purchasing Cards to be used on a repetitive basis to circumvent prescribed approval authority limits. With the appropriate approvals, cardholder limits may be increased either temporarily or permanently based on need by contacting the Director of Corporate Services or the Finance Manager.

All refunds and credits must be applied to the original Purchasing Card. Where vendor return policies allow, cardholders are not to return products for refunds in the form of gift cards or other prepaid cards.

The cardholder's supervisor/manager is responsible for notifying the Program Administrator immediately upon any change in the cardholder's employment status. This includes, but is not limited to termination, layoff, leave of absence and long term disability. If applicable, the plastic card should also be returned to the Finance Manager.

Misuse and/or Failure to Meet Cardholder's Responsibilities

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

5.19 PETTY CASH PURCHASES AND REIMBURSEMENTS

Purchase reimbursements from petty cash are not to exceed \$75.00 without the approval of the respective department Director or the Finance Manager. All reimbursements from petty cash must be evidenced by a valid supplier invoice or receipt. The establishment of a petty cash fund is subject to the approval of the Director of Corporate Services.

5.20 PURCHASE OF HAZARDOUS PRODUCTS

The purchase and receipt of any potentially hazardous product or WHMIS controlled product must be accompanied by a Material Safety Data Sheet (MSDS) and a copy must be kept on file.

5.21 LEASE VERSUS BUY DECISIONS

Lease versus buy decisions is really a question of what is the most economic means to acquire a required asset, noting the acquisition of the asset may by its nature be subject to Business Case assessment. Decisions on lease versus buy are subject to detail costing, which should be undertaken utilizing the appropriate external/internal professional expertise.

5.22 WARRANTIES AND SERVICE AGREEMENTS

As a base standard, the acquisition of all capital assets including but not limited to vehicles, equipment, and system technology should be accompanied with a manufacturers/suppliers warranty, noting such warranty generally applies for a one year period. This similarly applies to service agreements associated with the capital asset being acquired.

Extended warranties and/or service agreements are to be priced and evaluated unique to the acquisition/supply of identified capital assets where specific expertise, capacity and/or proprietary access is needed to support the ongoing utility of the capital assets, and where such expertise, capacity and priority access is not available at LMHC. Such capital assets generally have a significant dollar value attached to them and are integral to the operation they support. The purchase of extended warranties and/or service agreements are subject to the evaluation and approval process as set out in the current Purchasing Policy.

5.23 INVENTORY MANAGEMENT

The effectiveness of the inventory management system is measured in terms of finding the optimum balance between having parts available to affect the timely repair of LMHC properties, and the level of investment in inventory, noting the level of investment impacts the availability of constrained resources for other purposes. The appropriate balance between parts availability investment level will focus on:

- Ensuring there are no “critical stock out” occurrences – i.e. parts availability preventing meeting service
- Further development of the system of warranty recovery covering both OEM warranties and vendor part warranties
- Further adjustment to minimum/maximum inventory levels, for respective parts, linking the requirements to planned/scheduled maintenance
- Working with parts suppliers to ensure consistency in the quality of supplied parts, timely delivery and competitive pricing
- Monitoring and assessing (and changing, as appropriate) inventory control processes and procedures.

5.24 CONTRACT ADMINISTRATION

The following shall apply with regard to contract administration:

- The award of a contract may be made by way of an Agreement, Purchase Order or Work Order.
- A Purchase Order or Work Order is to be used when the resulting contract is straightforward and will contain LMHC standard terms and conditions.
- An Agreement is to be used when the resulting contract is complex and will contain terms and conditions other than LMHC standard terms and conditions.
- It shall be the responsibility of the Director and the Purchaser to determine if it is in the best

interest of LMHC to establish an agreement with the supplier.

- Where an agreement is required, as a result of the award of a contract by delegated authority, the CEO and/or the Departmental Director shall execute the contract on behalf of the Board of Directors.
- Where an agreement is issued, a Purchase Order or Work Order may be issued, incorporating the formal agreement.
- Where an agreement is not required, an authorized Purchase Order or Work Order will be issued incorporating the terms and conditions relevant to the award of contract.

5.25 CONTRACT RENEWAL

Where a contract contains an option for renewal, the CEO may authorize such an option provided that all of the following apply:

- the supplier's performance in supplying the goods and/or services or construction is considered to have met the requirements of the contract;
- any price increases are consistent with the prevailing market conditions for the goods or services being purchased;
- the facts justifying the decision to award this supplier previously are still relevant at the time of contract renewal;
- funds are available or will be available in appropriate accounts within LMHC's approved budget, including authorized revisions, to meet the proposed expenditure;
- the Director responsible and the Purchaser agree that the exercise of the option is in the best interest of LMHC.

5.26 CONTRACT AMENDMENTS

The following shall pertain to all contract amendments:

- No amendment to a contract shall be made unless the amendment is in the best interest of LMHC.
- No amendment that changes the price of a contract shall be agreed to without a corresponding change in requirement or scope of work with approval.
- The Board Finance & Audit Committee and Board of Directors are to be advised and approve any substantive amendments to the Contract i.e. pricing, timing, source of funding, nature of work to be completed.
- Amendments to contracts are subject to the identification and availability of sufficient funds in appropriate accounts within LMHC approved budgets including authorized amendments.
- Directors may authorize amendments to contracts provided that the total amended value of the contract is within their approval limit.
- Where expenditures for the proposed amendment combined with the price of the original contract exceeds LMHC approved budget for the project, a report shall be submitted in accordance within the approval limit to the Board of Directors recommending the amendment, and proposed source of financing.

5.27 EXECUTION AND CUSTODY OF DOCUMENTS

The CEO and Departmental Directors are authorized to execute formal agreements in the name of the Board of Directors for which the award was made by delegated authority. All Purchase Orders and/or Work orders will be issued in accordance with this Policy. Departmental Directors shall be responsible for the safeguarding of all original procurement and contract documents/records for the contracting of goods and services

5.28 COOPERATIVE PURCHASING

LMHC may participate with other government agencies or public authorities in cooperative purchasing where it is in the best interests of the Board of Directors to do so.

- The decision to participate in cooperative purchasing agreements will be made by the Purchaser (or designate).
- The individual policies of the government agencies or public authorities participating in the cooperative competitive bid are to be those accepted for that particular competitive bid.

5.29 ACCESS TO INFORMATION

The disclosure of information received relevant to the issue of competitive bids or the award of contracts emanating from competitive bids or decision not to disclose 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.

5.30 LOCAL OR GEOGRAPHICAL PREFERENCE

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

6.0 DOCUMENT CONTROL

Date Drafted	• March, 2018
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RELATED DOCUMENTATION

Legislation	N/A
Collective Agreement	N/A
Forms	<ul style="list-style-type: none"> • Tender Documents • Business Case Template • Purchase Orders • Work Orders • Corporate Credit Card Use Agreement • Single/Sole Source Justification
Policies	<ul style="list-style-type: none"> • Conflict of Interest Policy • Travel and Business Expense Policy
Other Resources	<ul style="list-style-type: none"> • National Institute of Governmental Purchasing (NIGP) http://www.nigp.org/home/about-nigp/who-we-are/code-of-ethics • Supply Chain Management Association of Canada http://scma.com/on/about/code-of-ethics • Ontario Public Buyers Association https://www.opba.ca/chapters/nigp-opba/documents/codeofethics04.pdf • Government of Canada Business Case Guide https://www.canada.ca/en/treasury-board-secretariat/services/information-technology-project-management/project-management/business-case-guide.html

1.0 PURPOSE

The main objectives of this policy and associated procedure guidelines are to outline London & Middlesex Housing Corporation (LMHC)'s responsibilities, procedures, accountability and levels of authority for the issuance and control of budget funds.

2.0 SCOPE

This Policy applies to everyone purchasing goods and services on behalf of LMHC. It is the responsibility of the CEO and Departmental Directors to ensure that provisions of the Purchasing Policy are adhered to in the normal course of business.

The Purchasing Policy is to be reviewed by the Director of Corporate Services every two years with any changes being reviewed and approved by Senior Management Team and/or the Board of Directors as may be appropriate

Further the Purchasing Policy is subject to review and amendment from time to time giving consideration to emergent issues and/or trends respecting public procurement, providing clarity in the application of the purchasing policy and protocols and/or at the direction of the Board of Directors.

All amendments to the Purchasing Policy will be communicated (written) to all staff involved in the procurement process and/or subject to the Policy requirements in the completion of their duties.

The Purchasing Policy is to be posted providing ready reference to all Management and Administrative staff engaged in the procurement process.

3.0 POLICY STATEMENT

The policies and guidelines are predicated on the following principles, noting they are to be applied in a balanced manner, giving due regard to standards/requirements as set out in this policy recognizing the principles may be competing in nature:

- to, where appropriate, given the extent of the investment required, a business case is to be prepared consistent with the Government of Canada Business Case Guide
- to procure the necessary quality and quantity of goods and services in an efficient and effective manner which supports LMHC's business (service) objectives, safeguards Board of Directors interest, and mitigates Board of Directors liability
- to provide for the most open bidding process practicable in the circumstances for the acquisition and disposal of goods and services
- to procure the required goods and services with due regard to the preservation of the natural environment, i.e. due consideration to the purchase of goods that are considered pre and post use environmentally friendly
- to select successful bids subsequent to critical assessment of the respective compliant bids based upon predetermined criteria for the goods and services being acquired. Price is one such criterion, but is not the sole determinant.
- to, where appropriate, given the extent of the investment required, support the need for and the purchase of goods and services based upon a business case assessment
- to support and develop private / public business opportunities where there is shared benefit and risk to each of the parties and where there is net economic advantage versus alternatives, including consideration of timing
- to support and develop cooperative purchasing ventures with other public institutions where such ventures support all or some of the following, in a balanced fashion:
 - the timely delivery of goods and services
 - the receipt of a quality product and/or service (both pre and post-delivery)
 - mitigates administrative resource requirements
 - provides favourable competitive pricing
 - positive impact on inventory level requirement

The London & Middlesex Housing Corporation encourages innovation and the use of technology which meet LMHC specifications and industry standards in order to ensure the utilization of the most efficient and effective processes and practices.

The code of purchasing ethics established by the National Institute of Governmental Purchasing (NIGP), the Supply Chain Management Association of Canada (SCMA) and the Ontario Public Buyers Association

(OPBA) shall apply to all staff involved in the procurement process.

3.1 OFFICIAL POINT OF PURCHASING CONTACT AND LOBBYING PROHIBITION

- a. LMHC 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 purchaser (or designate). Should it be necessary or desirable to have a contact person to respond to technical issues that person shall be named in the competitive bid documents. All communications will be made by these individuals and during the procurement process, no bidder or person acting on behalf of the bidder or group of bidders shall contact any elected official, consultant or any employee of the LMHC, including the Board of Directors 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 of Directors Member, consultant or employee of the LMHC for such purposes as meetings of introduction, social events, meals or meetings related to the selection process, shall result in disqualification of the bidder for the project to which the influential activity is deemed to be directed. Notwithstanding the foregoing, this prohibition does not apply to meetings specifically scheduled by the purchaser for presentations or negotiations. Any bidder found to be in breach of this Policy shall be subject to immediate disqualification from the procurement process and may be prohibited from future opportunities at the discretion of LMHC.
- b. In addition, no bidder who has been awarded the contract shall engage in any contact or activities in an attempt to influence any elected official or any employee of LMHC with respect to the purchase of additional enhancements, options, or modules. However, a contractor may communicate with the purchaser (or designate), or departmental Director for purposes of administration of the contract during the term of the contract.
- c. The determination of what constitutes influential activity is in the sole discretion of LMHC, acting reasonably, and not subject to appeal.
- d. Contract award decisions shall be based on clear, transparent and objective criteria that is applied free from political considerations or political interference.

3.2 INTERFERENCE IN THE PROCUREMENT PROCESS

- a. Board of Directors Members, officers and employees shall not knowingly cause or permit anything to be done or communicated to anyone in a manner which is likely to cause any potential supplier to have an unfair advantage or disadvantage in obtaining a contract for the supply of goods and/or services to LMHC. This also includes a contract with any other municipality, local board or public body involved in the purchase of goods and/or services either jointly or in cooperation with the Board of Directors.
- b. Members of the Board of Directors shall separate themselves from the procurement process and have no involvement whatsoever in specific procurements. Members of the Board of Directors 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 Chief Executive Officer (CEO).
- c. The only exception to the above relates to selection of external auditors whereby Members of the

Board of Directors may be part of the evaluation team.

3.3 COMPETITIVE BIDS

As a general rule, a minimum of three bids are to be obtained for the purchase of goods and services.

The bids for goods and services may be obtained on an informal basis. The purchaser (or designate), in consultation when necessary with the respective department Director, will deem what appropriate bid document is to be used to facilitate the formal purchase of goods and services, i.e. Request For Tender, Request For Quotations or Request For Proposal. The above is not applicable when the purchase is made from a cooperative purchasing venture, as a public competitive bidding process has been completed, and all RFP and award documentation is available on the website of the collaborative sourcing partner.

On occasion, as necessitated by the circumstances, departmental staff, through the respective department Director, or designate, facilitating a purchase, will provide supporting documentation of three bids being obtained. The documentation will be provided with the request for the issuance of a purchase order, which is to be arranged by the purchaser (or designate).

Unsolicited proposals received by departmental staff shall be forwarded to the purchaser along with any recommendations for evaluation.

3.4 NON COMPETITIVE PURCHASES

The requirement for a competitive bid process for the selection of a supplier for goods, services and construction may be waived under authority of the Departmental Director and the CEO and, as appropriate, the Board of Directors and replaced with direct negotiations by the purchaser (or designate), Directors and/or CEO under the following circumstances.

3.4.1 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, licence, 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.

3.4.2 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. There is a need for compatibility with goods and/or services previously acquired or the required goods and/or service will be additional to similar goods and/or services being supplied under an existing contract (i.e. contract extension or renewal);
- d. The required goods and/or services are to be supplied by a particular supplier(s) having special knowledge, skills, expertise or experience;
- e. The goods are purchased under circumstances which are exceptionally advantageous to LMHC, such as in the case of a bankruptcy, receivership;
- f. It is advantageous to LMHC to acquire the goods and/or services from a supplier pursuant to the procurement process conducted by another public body;
- g. It is advantageous to LMHC to acquire the goods and/or services directly from another public body or public service body; and/or
- h. Where, due to abnormal market conditions, the goods and/or services required are in short supply.

3.5 SUPPLIER REPRESENTATIVES

The selection of sources of supply will be as determined by this policy. Sales representatives will not attend work areas without the prior approval of an LMHC employee. Such representatives must comply with all LMHC safety and security policies and procedures. Any samples provided by supplier representatives must meet all LMHC requirements including health and safety requirement such as MSDS's.

3.6 NON ARMS LENGTH TRANSACTIONS

The following provisions apply with respect to non-arm's length transactions (cross reference LMHC Conflict of Interest Policy):

- The purchase by LMHC, of any goods or services, for personal use by or on behalf of any LMHC employee or elected official or their families is prohibited unless same is approved by the Board of Directors and/or covered by a related LMHC policy.
- The purchase of surplus/obsolete LMHC assets by any LMHC employee or by a member of an employee's immediate family is prohibited unless same is approved by the Board of Directors and/or covered by a related LMHC policy.

- LMHC employees or immediate family members bidding on products and services to be purchased by the LMHC is prohibited, unless same is approved by the Board of Directors and/or covered by a related LMHC policy.

3.7 GIFTS, GRATUITIES AND SUPPLIER SPONSORSHIP / CONTRIBUTIONS / DONATIONS

No LMHC employee or member of his or her immediate family may accept personal gifts, special accommodations, or use of property or facilities from anyone with whom the employee is negotiating business on behalf of LMHC. Generally, this excludes normal suppliers' promotional material having a value of less than \$100. In no instance will a LMHC employee or member of his or her immediate family accept cash. The Director of Corporate Services and/or the CEO is to be advised of gifts, special accommodations, or use of property or facilities of between \$45 and \$100.

Supplier sponsorship/contributions of/to LMHC activities/events are solicited/received with express understanding that the contribution is provided as goodwill and without guarantee or commitment to purchase products or services from the respective supplier. Supplier donations are limited to three (3) LMHC sponsored activities/events in a given fiscal year.

3.8 DISPOSAL/REMOVAL/TRANSFER OF LMHC ASSETS

3.8.1 Surplus Equipment and Inventory

All departmental staff shall notify management when items become obsolete or surplus to their requirements.

The Department Director will inquire of other departments if the items can be of use to another department rather than disposed of.

Items that are not claimed for use by another department and of significant value will be offered for sealed bids, public auction or other public sale. Departmental Managers, with the approval of the Departmental Director, will be responsible for determining the most suitable method of disposal.

Depending upon the assets being disposed of, Board of Directors approval of the disposal may be required. The Director of Corporate Services or the CEO will be responsible for making the determination if Board of Directors approval is required.

The revenue from the sale of obsolete or surplus equipment shall be credited to the appropriate revenue account as proceeds from the sale of assets.

3.8.2 Scrap Material

Where scrap material is available for disposal, the respective Department Director (or designate) shall be responsible for its disposal.

The Department Director (or designate), after determining the value and possible alternate uses

of the scrap material, may dispose of the material by either general advertising to secure bids, direct contact with the appropriate dealers to view the scrap and submit offers to purchase, public auction, or other methods as deemed appropriate. The revenue from the sale of scrap material shall be credited to the appropriate revenue account.

3.8.3 Warranty Recovery

All items that have failed within the manufacturers' warranty period are to be claimed back to the manufacturer or supplier for credit or replacement along with the appropriate amount of labour hours.

3.8.4 Inventory Transfer

From time to time it may be necessary to transfer parts or supplies from one LMHC location to the other. When this is required, the proper controls and paperwork must be in place.

3.9 DIVISION OF PURCHASING CONTRACTS

The division of contracts for the purchase of products and/or services to avoid the provisions of this policy is prohibited.

3.10 PERIOD OF CONTRACT AWARD

As a general rule, agreements for the purchase of products, supplies and/or services are not to exceed 5 years in duration. The exercising of renewal options, extending the period beyond 5 years or negotiating an extension, without the benefit of public tendering proposal/quotation process, have to be approved by the Board of Directors before same becomes binding.

3.11 POLICY CLARIFICATION

Any issues / questions relating to the meaning or application of the policy and/or guideline statements are to be submitted to the Director of Corporate Services or the CEO for clarification and response.

3.12 POLICY AMENDMENTS

The provisions of this policy/guidelines statement may be subject to amendment from time to time. Should amendments be considered necessary, such amendments are to be consistent with the "General Policy Statement" as set out in Section 3.0 and are subject to the approval of the Director of Corporate Services and the CEO, and, where appropriate, the Board of Directors.

3.13 GOODS AND SERVICES NOT SUBJECT TO THIS POLICY

- Payroll and Payroll deductions
- Training and Education
- Refundable Employee Expenses in accordance with the Travel and Business Expense Policy
- Utilities, including water, electricity and natural gas

- Tax Remittances, WSIB Remittances
- Postage
- Banking Services (where covered by agreements)
- Office equipment lease charges (where covered by agreements)
- Hot water heater rental charges (where covered by agreements)
- Fare media purchases
- Insurance Premiums, Claim Settlements and Adjuster Services
- Employee Group Benefits, Compensation, Programs, Consulting and Reviews
- Ongoing maintenance and actions to maintain present functionality of existing computer hardware and software.

4.0 AUTHORITY AND RESPONSIBILITY

4.1 LMHC MANAGEMENT AND STAFF

All LMHC staff delegated with purchasing and/or approval authority shall:

- Follow the guidelines as set out in this document.
- Coordinate, in a manner consistent with this policy, the procurement of all goods and services consumed by LMHC, exclusive of those relating to the supply of labour.

Procurement activities shall be subject to all applicable LMHC policies, 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 a departmental Director or the CEO from recommending an award to LMHC where:

- in the opinion of the CEO, or departmental Director, it is in the best interest of LMHC to do so; or;
- it is a matter of procurement procedure and, in the opinion of CEO, or departmental Director, it is in the best interest of LMHC to do so.

4.2 PURCHASE AUTHORIZATION LIMITS

For the purchase of goods and/or services, including those not specifically addressed in this policy, the authorization limits listed in Appendix 1 will apply.

The limits apply to those goods and services contained in the approved operating budget programs and subject to the procurement of same in accordance with the provisions of this document.

LMHC's organizational chart should be referred to for descriptions of Manager and Director Positions.

4.3 BOARD OF DIRECTORS APPROVAL

Board of Directors approves operating budget on annual basis and Budget restatements as required. Individual operating expenses are subject to the requirements of this purchasing policy and guidelines.

Board of Directors approves allocation of Capital Budget to Capital projects. The Board's Finance and Audit Committee Approval is required for all change orders exceeding 20% of the approved allocated capital Budget and for capital work/materials purchased between \$75,000 and \$500,000 not included into approved Capital Budget. Formal Board of Directors approval is required for all Capital costs exceeding \$500,000. Such goods and services include but are not restricted to the following:

- Lease space requirements
- Brokerage services
- Security services
- Equipment / building service contracts
- Consulting services costing.

In such situations, the recommended purchase will be subject to the appropriate tendering or request for proposal/quotation process with the appropriate public report being prepared. The recommendation for such purchases is the responsibility of the respective department Director or designate, noting such recommendations and reports are to be reviewed and approved by the CEO or designate.

All such reports must:

- State that the request for tender, proposal or quotation was issued and processed in accordance with established procedures
- Identify all compliant and non-compliant bidders
- State that the compliant bidders met all specifications and general terms and conditions as provided in the tender, proposal or quotation document
- Identify any exceptions or qualifying conditions to the general terms and conditions of the tender, proposal or quotation document proposed by any bidder
- Include a summary of all the submissions.

Given the timing of Board of Directors and Board Committee meetings, with the approval of the CEO or designate, such purchases may be authorized prior to formal Board of Directors approval, by polling the Board of Directors/Board Committee members via telephone, e-mail or online platform, with formal approval being requested as a confirming action at the earliest opportunity.

4.4 EMERGENCY PURCHASES

In cases of emergency, defined to include:

- An imminent or actual danger to the life, health or safety of an official or an employee while acting on LMHC's behalf.
- An imminent or actual danger of injury to or destruction of real or personal property belonging to LMHC.
- An unexpected interruption of essential services.

a Director or designate, may initiate a purchase order in excess of the expenditure limit, noting any purchase order issued under such conditions, together with a source of funding confirmed / approved by the Director of Corporate Services or the CEO (or designate) shall be justified and reported to the next meeting of the Board of Directors following the date of the requisition.

4.5 CONFLICTS OF INTEREST

No member of the Board of Directors or employee of LMHC shall have any pecuniary or controlling interest either direct or indirect in any competitive bid or contract for the supply of goods or services to LMHC, 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.

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 purchaser (or designate). 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 member of the Board of Directors or employee of LMHC in the contract, the contract may be cancelled at any time by LMHC in its entire discretion without damages or penalty.

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;

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:

- 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.
- Has a controlling interest in or is a Director or Senior Officer of a corporation that offers securities to the public.

For the purposes of this section, a member of the Board of Directors or employee of LMHC 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 LMHC.

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 member of the Board of Directors or employee shall, if known to the

person, be deemed to be also the pecuniary interest of the elected official, appointed officer or employee as the case may be.

5.0 PROCUREMENT PROCESS

The Purchaser will be responsible for co-ordinating all aspects of the procurement process. Due to the nature, complexity and level of expertise required of certain request for tenders or proposals, it may be appropriate for an outside consulting firm to co-ordinate the procurement process under the guidance of the respective Director and with the approval of the CEO.

When a consulting firm is used to co-ordinate the procurement process, the Purchaser must be informed of all developments in the process.

All work and/or materials purchased require a purchase and/or work order issued by the buyer. No expenditure shall be made without following the procurement guidelines outlined below:

5.1 EXPENDITURES UP TO \$ 9,999.99

Work and/or materials purchased within this limit may be single sourced from LMHC's list of rotational contractors providing same adheres to LMHC's predetermined labour/material mark-up rates, however Single/Sole Source Justification form to be completed for all purchases/orders exceeding \$4,999.99. Mark-up rates are to be reviewed every year.

5.2 EXPENDITURES FROM \$10,000 UP TO \$24,999.99

All work and/or material purchased within this range should have a minimum of three (3) written bids from a pre-approved list of suppliers. Detailed description of the scope of services and/or materials, or reference to a previous purchase/work order, is required.

5.3 EXPENDITURES BETWEEN \$25,000 AND \$74,999.99

Work and/or materials purchased within this limit require that a formal request for written quotations be issued. Award of the work/materials shall be through a purchase and/or work order issued by the buyer. The purchase/work order must contain a detailed description of the scope of work and/or specifications.

5.4 EXPENDITURES GREATER THAN \$75,000

Work and/or materials purchased within this limit require a formal request for a public or invitational tender. Note: invitational tenders are to be used only in situations where the services/materials required are available from a limited number of qualified contractors (e.g. elevator maintenance). A full set of bid submission documents and specifications is required. Award of the work/ materials shall be through a letter of award and/or purchase/work order, executed by the CEO, and clearly referencing

the bid submission documents and specifications.

5.5 COST INCREASES

Specific cost increases to identified and previously approved capital expenditures (project), including change orders to an existing contractor, or work and/or materials to a new supplier within the context of the existing project, shall be considered part and parcel of the existing project, and the purchasing limits and procurement process for the new work shall be as described for the original work, above.

5.6 HOLDBACKS ON CAPITAL PROJECTS

On any capital project that has been awarded at a value of greater than \$50,000, a holdback of 10% shall be withheld from each project payment to the contractor. All holdbacks shall be retained by London & Middlesex Housing Corporation for a period of 45 days from the date of substantial project completion.

5.7 DOCUMENTATION FORMAT

All formal requests for tender, proposal or quotation documents shall adhere to LMHC Purchasing & Procurement Documentation Guidelines (Appendix A).

5.8 INSURANCE AND INDEMNIFICATION

With regard to the size, nature or complexity of the tender or proposal, bid deposits, performance bonds and insurance may be required of the bidder to guarantee the execution and performance of the contract, as well as provisions for liquidated damages, progress payments and holdbacks and allowances.

A Bid Deposit is to guarantee entry into a contract and should normally be for an amount equal to 10% of the bid amount.

A Performance Bond is to guarantee the faithful performance of the contract and should normally be for an amount equal to 50% of the bid amount.

A Labour & Material Bond is to guarantee the payment for labour and materials to be supplied in connection with the contract and should normally be in an amount equal to 50% of the bid amount.

Prior to commencement of work and where deemed appropriate, evidence of insurance coverage must be obtained from the successful bidder ensuring indemnification of the LMHC from any and all claims, demands, losses, costs or damages resulting from the performance of a supplier's obligations under the contract.

5.9 SINGLE BID RECEIVED

In the event only one submission is received, the purchase may return the unopened bid to the bidder when, in the opinion of the purchaser and the respective Manager or Director, a more reasonable number of bids might be expected if the process is revisited.

In returning the unopened submission, the purchaser shall inform the bidder that LMHC may issue a subsequent call for submissions.

In the event that only one bid is received in response to a call/request for tender, proposal or quotations, the bid may be opened and evaluated in accordance with the LMHC's usual procedures when, in the opinion of the purchaser and the respective Manager or Director, the bid should be considered by the Board of Directors.

5.10 OPENING OF SUBMISSIONS

The Purchaser will be responsible for arranging the opening of all requests for "tender, proposal or quotation" submissions and will attend all openings in attendance with either an LMHC staff member, manager, department director, CEO or member of the Board of Directors.

5.11 BID IRREGULARITIES

Subsequent to the opening of the submissions, the submissions shall be referred to the Purchaser for validation of adherence and compliance to the general terms and conditions of the bid request. Any submissions found to be non-compliant will be marked as such and not evaluated but will be noted in any internal recommendation reports and Board of Directors reports. The following chart provides an outline of potential bid irregularities and the subsequent LMHC response:

IRREGULARITY	RESPONSE
Late bids.	Automatic rejection, not read publicly and returned unopened to the bidder.
Unsealed envelopes.	Automatic rejection
Insufficient financial security (no bid deposit or insufficient bid deposit).	Automatic rejection
Failure to include the name of the bonding company (if required)	Automatic rejection
Failure to provide a letter of agreement to bond where required.	Automatic rejection
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
Documents, in which all necessary addenda have not been acknowledged.	Automatic rejection
Failure to attend mandatory site visit.	Automatic rejection
Failure to include an original signature of the person authorized to bind the bidder in the space provided in the bid documents.	Automatic rejection
Conditions placed by the bidder on the total contract price.	Automatic rejection

Bids containing minor mathematical errors	<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 the Board of Directors adversely may be rejected.</p>
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5.12 EVALUATION AND RECOMMENDATION

The Purchaser will refer the acceptable (compliant) bids to the respective Director or designate for evaluation and recommendation.

The evaluation process will be based on, but not limited to, the following criteria;

- The bidders understanding of the purpose and nature of the procurement opportunity
- The specific experience/expertise of the bidder
- Reference checks
- Timelines
- Bid price
- Assessment of impact on operations and related costs. The assessment considers the ancillary operating and capital cost impact associated with the procurement, noting the inclusion of same recognizes that the bid price is not the sole financial input to the assessment process.

The evaluation process may also include a scoring system based on the components of procurement opportunity.

The applicable Board of Directors report and/or internal report will clearly indicate:

- that the “tender, proposal or quotation” was issued and processed in accordance with established procedures and as required in Section 2.4;
- any sections of the “tender, proposal or quotation” that was not complied with, or any exception provided by the bidder;
- summary results of the bid assessment process followed (consistent with the aforementioned

criteria)

5.13 AWARD OF CONTRACT

The culmination of the process will result in the awarding of the contract to the successful bidder. This may take the form of a Purchase Order or a formal, signed contract or simply an acknowledgement letter incorporating the terms and conditions of the relevant award. The terms, conditions and specifications of the tender, proposal or quotation document will always form part the contract.

LMCH 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 Purchaser prior to the award of the contract. Disputes shall be resolved by a meeting or meetings with the Purchaser, Manager, Directors and/or the CEO and, as appropriate, the Board of Directors.

Unsuccessful proponents may, upon their request, attend a debriefing session with the purchaser prior to the award of the contract. Disputes shall be resolved by a meeting or meetings with the Purchaser, Manager, Directors and/or the CEO 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.

5.14 PUBLIC RELEASE OF SUBMISSION INFORMATION

All submissions, except detail costing and certain proprietary information, as declared by the bidder shall be public information at the time LMHC has reached a decision on the submission.

5.15 CONFIDENTIALITY OF PROPRIETARY INFORMATION

All records and information pertaining to bid submissions which reveal a trade or scientific, technical, commercial, financial or other labour relations information, supplied in confidence implicitly or explicitly, shall remain confidential if the disclosure could reasonably be expected to:

- Prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons, or organization;
- Result in similar information no longer being supplied to LMHC where it is in the public interest that similar information continue to be so supplied;
- Result in the undo loss or gain to any person, group, committee or financial institution or agency; or
- Result in information whose disclosure could reasonably be expected to be injurious to the financial interests of LMHC.

5.16 APPOINTMENT OF PROFESSIONAL CONSULTING SERVICES

Senior management staff will be involved in the selection process for Professional Consulting Services. Specifically, Directors are to be involved as appropriate for high-profile projects of increasing complexity or expense.

The development of service (working) arrangements with consultants are permitted, recognizing that such arrangements result from an initial contract award that was subject to the terms of this policy. Such service (working arrangements), which may run for an extended period of time will be subject to LMHC review and approval every two years, noting the purpose of the review is to ensure that service (working arrangements) are both effective and efficient.

Under this section, all professional consultant proposals must include, at minimum:

- Schedule of fees;
- Methodology and timeline to complete project;
- Demonstrated experience and qualifications required to perform project; and
- List of personnel who will be directly involved in the completion of the project.

If a consulting engagement that has been awarded administratively then exceeds the approval threshold of \$75,000, the CEO shall immediately prepare a report to the Board of Directors providing a status update and requesting approval to proceed (if applicable).

The Director shall be responsible for ensuring that any substantive clause changes to the standard consulting services agreement are reviewed by the Board of Directors' legal counsel.

The Director and/or Purchaser shall be responsible for obtaining and keeping on file the appropriate insurance and WSIB documents.

The Director responsible for the project shall be responsible for ensuring that all proposal responses and decision making rationale are retained in the appropriate contract files for a minimum of two (2) years.

5.17 BLANKET PURCHASE CONTRACTS

A Request for a Blanket Purchase Contract may be used where:

- One (1) or more clients repetitively order the same goods or services and the actual demand is not known in advance; and
- A need is anticipated for a range of goods and/or services for a specific purpose, but the actual demand is not known at the outset, and delivery is to be made when a requirement arises.

The purchaser shall establish and maintain Blanket Purchase Contracts that define source and price with selected suppliers for all frequently used goods or services.

To establish prices and select sources, the purchaser shall employ the provisions contained in this Policy for the acquisition of goods and/or services and construction labour and materials.

More than one (1) supplier may be selected for the supply of goods and/or services where it is in the best interests of the Board of Directors.

Where procurement action is initiated by a department for frequently used goods or services, it is to be made with the supplier or suppliers listed in the Blanket Purchase Contract.

In a Request for Blanket Purchase Contract, the expected quantity of the specified goods or services to be purchased over the time period of the agreement will be as accurate an estimate as practical and be based, to the extent possible, on previous usage adjusted for any known factors that may change usage.

5.18 CORPORATE PURCHASING CARDS / CREDIT CARDS

General

Corporate Purchasing Cards will be issued to CEO, Directors, Senior Managers, On-call Managers and Departments to use for low-dollar goods and/or services in support of sound business practices. Purchasing Card provision is based on the need to purchase goods and services LMHC and the card may be revoked based on change of assignment or location. The provision of a Purchasing Card is not an entitlement.

No employee shall use a Purchasing Card to purchase goods and/or services unless appointed and authorized by the employee's Director. Any use of a Purchasing Card shall be in accordance with the Procurement of Goods and Services Policy and all other applicable Board of Directors policies. Directors are ultimately responsible for ensuring that purchases within their department are made in accordance with the applicable by-laws and policies.

A Purchasing Card will be issued once the employee has read, signed and submitted the Cardholder Agreement Form to the Program Administrator, which sets out in writing the employee's responsibilities and restrictions regarding the use of the Purchasing Card.

All Purchasing Cards issued will have a predetermined "single transaction limit", a "monthly credit limit" as determined by the Director of Finance and Corporate Services and authorized by Senior Leadership Team. All Purchasing Cards will be blocked from obtaining cash advances.

Cardholder limits for single or monthly transactions exceeding \$5,000 must be approved in writing by the CEO.

LMHC assumes liability for all authorized charges on the Purchasing Cards, not the individual cardholder.

Program Administration, Audit and Monthly Reconciliation

Oversight and administration of the Purchasing Card program is the responsibility of Director of Finance and Corporate Services. The Finance Manager will maintain a master list of all Purchasing Cards and their limits.

All transactions are subject to review by the Finance Manager to ensure compliance with the Procurement of Goods and Services.

All requests for Purchasing Cards, maintenance forms and other documents are to be submitted to the Finance Manager for review and processing. With the exception of Cardholder Disputes, no cardholder or cardholder representatives are permitted to submit forms directly to the bank. All original cardholder agreements and other cardholder maintenance forms are to be maintained by the Finance Manager.

Cardholder Disputes are to be submitted to the bank by the cardholder or cardholder representative and a copy of the dispute sent to the Finance Manager.

Payment will automatically be processed by the Finance Manager following the monthly statement date. If individual cards have not been reconciled and approved for payment by the deadline each month, expenditures will be charged directly to the default cost center attached to the card. Departmental representatives are responsible to ensure that the statement is submitted and the expenditures are allocated to the correct general ledger accounts.

Reconciled and authorized monthly statements are to be submitted to the Finance Department no later than the last working day of the month. Each transaction must include an explanation or purpose of the expenditure.

Cardholders shall provide itemized receipts for each transaction with the monthly cardholder statement.

The Purchasing Card shall not be used:

- for any purchase of goods and/or services that are prohibited under the Procurement of Goods and Services Policy;
- for personal use other than incidental personal use as part of a business expense, which must be reimbursed at the time of the monthly reconciliation;
- for a product or service available via standard procurement process;
- when the total purchase price exceeds the single purchase limit on the card;
- when an exclusive contract with another vendor is in effect for the goods and/or service (unless pre-authorized in writing by the Purchaser(or designate));
- for items which are stocked at LMHC Stores except under extenuating circumstances; and,
- for computer software or hardware or telecommunications equipment such as telephones, and cellular phones except by designated staff in the Information Technology Department.

The following items require pre-authorized written approval by the cardholder's Director or the CEO:

- The purchase of prepaid gift cards, prepaid gift certificates, prepaid grocery cards, or any other prepaid merchant cards; or,
- The purchase of alcohol while on LMHC business, team building, employee appreciation, or otherwise.
- A copy of the written approval must be included with the monthly statement when submitted to the Finance Department.

Individual transactions are not to be subject to splitting or stringing, which is the practice of committing multiple purchasing card transactions to circumvent delegated authority levels and thus bypassing LMHC's competitive bidding process, nor are Purchasing Cards to be used on a repetitive basis to circumvent prescribed approval authority limits. With the appropriate approvals, cardholder limits may be increased either temporarily or permanently based on need by contacting the Director of Corporate Services or the Finance Manager.

All refunds and credits must be applied to the original Purchasing Card. Where vendor return policies allow, cardholders are not to return products for refunds in the form of gift cards or other prepaid cards.

The cardholder's supervisor/manager is responsible for notifying the Program Administrator immediately upon any change in the cardholder's employment status. This includes, but is not limited to termination, layoff, leave of absence and long-term disability. If applicable, the plastic card should also be returned to the Finance Manager.

Misuse and/or Failure to Meet Cardholder's Responsibilities

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

5.19 PETTY CASH PURCHASES AND REIMBURSEMENTS

Purchase reimbursements from petty cash are not to exceed \$75.00 without the approval of the respective department Director or the Finance Manager. All reimbursements from petty cash must be evidenced by a valid supplier invoice or receipt. The establishment of a petty cash fund is subject to the approval of the Director of Finance and Corporate Services.

5.20 PURCHASE OF HAZARDOUS PRODUCTS

The purchase and receipt of any potentially hazardous product or WHMIS controlled product must be accompanied by a Material Safety Data Sheet (MSDS) and a copy must be kept on file.

5.21 LEASE VERSUS BUY DECISIONS

Lease versus buy decisions is really a question of the most economic means to acquire a required asset, noting the acquisition of the asset may by its nature be subject to Business Case assessment. Decisions on lease versus buy are subject to detail costing, which should be undertaken utilizing the appropriate external/internal professional expertise.

5.22 WARRANTIES AND SERVICE AGREEMENTS

As a base standard, the acquisition of all capital assets including but not limited to vehicles, equipment, and system technology should be accompanied with a manufacturers/suppliers warranty, noting such warranty generally applies for a one year period. This similarly applies to service agreements associated with the capital asset being acquired.

Extended warranties and/or service agreements are to be priced and evaluated unique to the acquisition/supply of identified capital assets where specific expertise, capacity and/or proprietary access is needed to support the ongoing utility of the capital assets, and where such expertise, capacity and priority access is not available at LMHC. Such capital assets generally have a significant dollar value attached to them and are integral to the operation they support. The purchase of extended warranties and/or service agreements are subject to the evaluation and approval process as set out in the current Purchasing Policy.

5.23 INVENTORY MANAGEMENT

The effectiveness of the inventory management system is measured in terms of finding the optimum balance between having parts available to affect the timely repair of LMHC properties, and the level of investment in inventory, noting the level of investment impacts the availability of constrained resources for other purposes. The appropriate balance between parts availability investment level will focus on:

- Ensuring there are no “critical stock out” occurrences – i.e. parts availability preventing meeting service
- Further development of the system of warranty recovery covering both OEM warranties and vendor part warranties
- Further adjustment to minimum/maximum inventory levels, for respective parts, linking the requirements to planned/scheduled maintenance
- Working with parts suppliers to ensure consistency in the quality of supplied parts, timely delivery and competitive pricing
- Monitoring and assessing (and changing, as appropriate) inventory control processes and procedures.

5.24 CONTRACT ADMINISTRATION

The following shall apply with regard to contract administration:

- The award of a contract may be made by way of an Agreement, Purchase Order or Work Order.
- A Purchase Order or Work Order is to be used when the resulting contract is straightforward and will contain LMHC standard terms and conditions.
- An Agreement is to be used when the resulting contract is complex and will contain terms and conditions other than LMHC standard terms and conditions.
- It shall be the responsibility of the Director and the Purchaser to determine if it is in the best interest of LMHC to establish an agreement with the supplier.
- Where an agreement is required, as a result of the award of a contract by delegated authority, the CEO and/or the Departmental Director shall execute the contract on behalf of the Board of Directors.
- Where an agreement is issued, a Purchase Order or Work Order may be issued, incorporating the formal agreement.

- Where an agreement is not required, an authorized Purchase Order or Work Order will be issued incorporating the terms and conditions relevant to the award of contract.

5.25 CONTRACT RENEWAL

Where a contract contains an option for renewal, the CEO may authorize such an option provided that all of the following apply:

- the supplier's performance in supplying the goods and/or services or construction is considered to have met the requirements of the contract;
- any price increases are consistent with the prevailing market conditions for the goods or services being purchased;
- the facts justifying the decision to award this supplier previously are still relevant at the time of contract renewal;
- funds are available or will be available in appropriate accounts within LMHC's approved budget, including authorized revisions, to meet the proposed expenditure;
- the Director responsible and the Purchaser agree that the exercise of the option is in the best interest of LMHC.

5.26 CONTRACT AMENDMENTS

The following shall pertain to all contract amendments:

- No amendment to a contract shall be made unless the amendment is in the best interest of LMHC.
- No amendment that changes the price of a contract shall be agreed to without a corresponding change in requirement or scope of work with approval.
- Amendments to contracts are subject to the identification and availability of sufficient funds in appropriate accounts within LMHC approved budgets including authorized amendments.
- Directors may authorize amendments to contracts provided that the total amended value of the contract is within their approval limit.
- Where expenditures for the proposed amendment combined with the price of the original contract exceeds LMHC approved budget for the project, a report shall be submitted in accordance within the approval limit to the Board of Directors recommending the amendment, and proposed source of financing.

5.27 EXECUTION AND CUSTODY OF DOCUMENTS

The CEO and Departmental Directors are authorized to execute formal agreements in the name of the Board of Directors for which the award was made by delegated authority. All Purchase Orders and/or Work orders will be issued in accordance with this Policy. Departmental Directors shall be responsible for the safeguarding of all original procurement and contract documents/records for the contracting of goods and services

5.28 COOPERATIVE PURCHASING

LMHC may participate with other government agencies or public authorities in cooperative purchasing where it is in the best interests of the Board of Directors to do so.

- The decision to participate in cooperative purchasing agreements will be made by the Purchaser(or designate).
- The individual policies of the government agencies or public authorities participating in the cooperative competitive bid are to be those accepted for that particular competitive bid.

5.29 ACCESS TO INFORMATION

The disclosure of information received relevant to the issue of competitive bids or the award of contracts emanating from competitive bids or decision not to disclose 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.

5.30 LOCAL OR GEOGRAPHICAL PREFERENCE

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

6.0 DOCUMENT CONTROL

Date Drafted	• March, 2018
Date Approved	•
Date Revised	•
To be reviewed	• Biennially
Inquiries to Policy Owner	• Director, Corporate Services

STAFF REPORT 2023-31

TO: LMCH Board of Directors

FROM: Trevor Whittingham, Senior Manager Asset Management

SUBJECT: Simcoe Common Area Accessibility Exterior – Contract Award Recommendation

DATE: May 11, 2023

PURPOSE:

The purpose of this report is to seek the LMCH Board of Directors approval to award a contract for asphalt replacement and entrance re-work at the LMCH high rise property known as 241 Simcoe Street.

Board approval is required for this contract award as it exceeds the \$75,000 financial approval limit of LMHC’s CEO as set out in “Purchasing Policies and Guidelines”.

RECOMMENDATION:

That the LMCH Board of Directors **APPROVE** the following recommendations:

1. APPROVE the award of the work to Armstrong Paving and Materials Group LTD. for the sum of \$185,634 (excluding taxes) to perform the work as specified in tender CMHC-2021-0011a for the asphalt replacement for parking lot 1 and sidewalk work at 241 Simcoe Street.
2. RECOMMEND that this contract ward be APPROVED by the Board of Directors of LMCH.
3. Authorize LMCH staff to take the necessary steps to give effect to the above recommendation(s).

BACKGROUND:

In November 2021, London and Middlesex Community Housing, the City of London and Canada Mortgage and Housing Corporation entered into an agreement to invest \$40,139,939 into select LMCH properties. This investment consists of \$ 15,533,989 received as a forgivable loan and \$24,602,101 repayable loan with the City of London guaranteeing the loan repayment.

LMHC identified several projects to fulfil the programs requirement as identified in the Co-Investment Fund Portfolio Plan that when fully implemented would meet the energy savings, accessibility requirements and property enhancements required by CMHC to secure the funding.

For the purpose of this recommendation, LMCH identified common area accessibility improvements required at the property known as 241 Simcoe Street. Conditions surrounding the building were identified by LMCH and Pretium Engineers; these items included:

- Unlevelled surfaces at property sidewalks and parking lots;
- A turning island that prevented emergency services from accessing the building,
- Accessible parking spaces that did not meet conformance requirements as set out by the City of London accessible parking legislation.

Rimkus consultants were retained to complete drawings, details and specifications based on site walk throughs and reports submitted by Pretium. The public tender issued March 8th, 2023 included for the above forementioned scope. All bidders were required to include proof of WSIB, provide proof of insurance, provide references from similar size projects and confirm that there was no current litigation against the contractor.

A walk through with the contractors was conducted on March 13th. The online submissions were received on bidsandtenders.ca on March 27th included eight submissions.

Bid Evaluation

Rimkus Engineering completed the initial bid evaluation.

The RFP included a number of separate priced items and not all of these were included in the final RFP award recommended due to project budget limitations. Work awarded includes:

- Mobilization
- Testing allowance
- Concrete work
- Parking Lot 1 – Front (Simcoe Street Entrance)
- Contingency
- Sidewalk Concrete Replacement (57 meters)
- Sidewalk Asphalt Replacement (8.3 meters)

Bid Summary:

- Eight (8) bids received.
- Seven (7) bids were deemed complete.
- One (1) bid was deemed incomplete and disqualified

- In addition to price, bidders were scored on:
 - Comparable projects
 - Startup timelines
 - Schedule to complete the project.
- Quotes received ranged from \$185,633.74 up to \$260,069.80.

RECOMMENDATIONS:

In consultation with Rimkus Engineering it is the recommendation of LMCH to award Armstrong Paving and Materials Group Ltd a contract to include for separate price items as listed above. LMCH will enter into a CCDC2 contract with Armstrong upon board approval.

Below highlights of Armstrong Paving and Materials Group Ltd. submission:

- Indicated the works would be completed within 3 weeks.
- Strong project understanding of requirements.
- No current litigation.
- Low bidder.

TENANT IMPACT:

Notices to tenants will be sent and posted notifying tenants of project start up. The project will cause temporary disruption for parking on site as well as building access.

- There should be minimal impact of parking restrictions at this site. There is a secondary parking lot at this location and the work will take place when overnight street parking is not restricted.
- Every effort will be made to limit the amount of time the front entrance is not accessible. Work will be restricted to normal working hours and the main entrance will be open and available during on evenings and weekends during the project.
- Tenants will be able to enter the building through the Lounge which has FOB access at times that the main entrance is not open.

Proper signage will be posted directing tenants how to enter/exit the building during construction. Weather dependent, project completion is anticipated within 3 weeks.

FINANCIAL IMPACT:

The Project is fully funded through the CMHC Co-Investment Program Funding. The table below details allocated funds for common area accessibility at 241 Simcoe Street.

Common Area Projects	Spent to Date	Construction Estimates
Entrance Door & Accessibility Hardware	\$10,790	
Exterior Levelled Surfaces	\$10,500	\$185,634
Laundry Room Modifications	\$2,000	\$26,000
Lounge Door & Accessibility	\$5,853	\$3,000
Signage		\$3,000
AODA Furnishings	\$2,500	
Public Washroom Modifications		\$3,500
Subtotal – Spent to date + Estimates for current projects	\$252,777	
Projects Under Review		
Kitchen Retrofit		\$25,000
Refuse Modifications Ground Level		\$6,000
Total	\$283,777	
Total Budget for Simcoe Common Areas	\$302,500 includes contingency	

*Prices exclude applicable taxes

LEGAL IMPACT / RISK MANAGEMENT:

The proposal submitted by Armstrong and recommended in this report is compliant with the requirements of the CMHC Program. Included in the bid price is the requirement of the bidder to have bonding equal to 50% of the contract price.

The project includes a contractor contingency of up to \$25,000 available for site conditions (known/unknown) that may impact the project.

IN CAMERA ATTACHMENTS:

- Appendix A: Consultant Recommendation
- Appendix B: Scoring Matrix

PREPARED and SUBMITTED BY:	STAFF CONTACT:
TREVOR WHITTINGHAM, SENIOR MANAGER ASSET MANAGEMENT	Wendy Groves, Construction & Project Manager

STAFF REPORT 2023-32

TO: LMCH Board of Directors

FROM: Trevor Whittingham, Senior Manager Asset Management

SUBJECT: Contractor Award – Exterior Lighting Boullee St. – (RFT 2021-0020)

DATE: May 11, 2023

PURPOSE:

The purpose of this report is to seek the LMCH Board of Directors approval to award a contract for Exterior Lighting at the Boullee St. Family site as set out in the tender (RFT 2021-0020) summarized in this report.

Board of Director's approval is required for this contractor award as it exceeds the \$75,000 financial approval limit of LMCH's CEO as set out in "Purchasing Policies and Guidelines".

RECOMMENDATION:

That the LMCH Board of Directors **APPROVE** the following recommendations:

1. APPROVE the award of the work to Montgomery Industrial Services for the sum of \$182,941.41+ HST (\$23,782.38) to perform the work as specified in tender RFT 2021-0020
2. Authorize LMCH staff to take the necessary steps to give effect to the above recommendation(s).

BACKGROUND:

As part of the Capital Works Plan, the Exterior Lighting Redesign Project at the Boullee St. Family site is intended to improve safety by increasing illumination throughout the site. The lighting project is planned to be completed by the end of 2023.

SCOPE OF WORK: (Simplified for this report)

The work outlined in this report will be performed throughout the Bouleee site as specified by the engineering consultant, Callidus Engineering.

- Remove all defective light fixtures.
- Install new light poles with new fixture to eliminate dark areas of the site.
- Install LED light fixtures on all the existing light poles.
- Replace existing original distribution panel board with new reliable equipment.
- All the new LED light fixture shall be controlled by "dusk to dawn" photocells.
- Light poles will be prewired to support CCTV cameras if approved through a future project.

TENANT IMPACT:

All tenants will be notified of the project and the affected areas. There are no expected service outages to the exterior lighting systems over the duration of this project. Staff will monitor the contractor's performance and timing throughout the project, and direct contact between the contractor and tenants will be minimal.

PROCUREMENT PROCESS:

An RFT was posted to Bids & Tenders on February 23, 2023, and closed on April 5, 2023. Three (3) submissions were received. Each bid submission was evaluated and scored, factoring; Bid compliance, Fees, Qualifications and Comparable projects as outlined in the Selection Criteria section of the tender.

Montgomery Industrial Services submitted the successful bid and is recommended for the work. Overall, Montgomery Industrial Services submission satisfied all mandatory requirements.

LMCH Staff interviewed Montgomery Industrial Services to confirm their understanding of the scope of work as well as their methodology to successfully complete this project. The recommendation is based on awarding the work as per the RFT requirements.

FINANCIAL IMPACT:

Funding for these projects has been approved through the 2021 and 2022 capital budget. Project funding sources 2021-0020 and 2022-0016. The project as awarded is within project budget.

LEGAL IMPACT / RISK MANAGEMENT:

Callidus Engineering will be providing 3rd Party construction administration service, responsible for payment certifications, site instructions, change notices, field reports, certificate of substantial completion, safety inspections etc.

Vendor insurance, WSIB and performance bonds were included in the bid submission received from the contractor.

IN CAMERA ATTACHMENT:

APPENDIX A: Bid Summary

PREPARED and SUBMITTED BY:	STAFF CONTACT:
TREVOR WHITTINGHAM, SENIOR MANAGER ASSET MANAGEMENT	Bill Leslie MANAGER, CAPITAL PROJECTS & CONSTRUCTION

STAFF REPORT 2023-33

TO: LMCH Board of Directors

FROM: Diana Taplashvily, Director of Finance

SUBJECT: Service Agreement – S &K Landscaping Services

DATE: May 11, 2023

PURPOSE:

The purpose of this report to inform the LMCH Board of Directors and receive Approval to extend our current grounds and landscaping service provider for one (1) year with the option to extent or cancel in-part or whole.

Board of Directors approval is required for this contractor as the annual contract value exceeds the \$75,000 financial approval limit of LMCH's CEO as set out in the LMCH "Purchasing Policies and Guidelines".

RECOMMENDATION:

That the LMCH Board of Directors APPROVE the following recommendations:

1. APPROVE the extension of current agreement for Landscaping Services, for the sum of \$226,736.03 (before taxes)
2. Authorize LMCH staff to take the necessary steps to give effect to the above recommendation(s).

BACKGROUND:

S&K Landscaping has been providing landscaping services for LMCH in the City of London for at least six (6) years. The current agreement has expired and LMCH is formalizing an extension of this service contract for a period of 1 year.

In this updated agreement detailed descriptions have been provide greater clarity for both LMCH and the service provider on contract expectations and service standards.

SCOPE DETAILS

The contract will service all properties in the City of London, managed by LMCH, all high-rise and family sites.

Within this one-year agreement S&K Landscaping will be conducting landscaping, grass cutting services every week, lawn treatments during the summer months. In the fall they will be leaf collection and fall clean up in preparation for the winter. The parking lot clean and repaint has been removed from this scope attributing to the overall contract reduction. Service is scheduled to begin in May 2023.

TENANT IMPACT:

Service will continue for landscaping services without interruption. No negative impacts are expected for tenants through this contract extension.

FINANCIAL IMPACT:

This one-year agreement will total \$226,736.03 and is in line with prior year expenditures for landscaping services. With the removal of the parking lot clean and paint, and 2023 spring clean-up, there is a reduction of contract value from previous years.

LEGAL IMPACT / RISK MANAGEMENT:

There are no anticipated legal or risk management issues as we will ensure all contractors provide proof of proper insurance(s) and abide by LMCH policies while on site and in our buildings.

PREPARED and SUBMITTED BY:	STAFF CONTACT:
Diana Taplashvily Director of Finance & Corporate Services	Sherry Tunks Procurement Manager

STAFF REPORT 2023- 34

TO: LMCH Board of Directors

FROM: Paul Chisholm, Chief Executive Officer

SUBJECT: Multi-Site Highrise Paving and Concrete Work- CMHC

DATE: May 15, 2023

PURPOSE:

The purpose of this report is to seek the Board of Director's approval to award a contract for paving and accessibility requirements at six (6) LMCH high rise properties. The properties include Baseline, Dundas, Kent, Mc Nay, (349 & 345) Wharncliffe. As part of the approved budget line item for common area improvements for accessibility works based on the CMHC Co-Investment Funding Program.

Board approval is required for this contract award as it exceeds the \$75,000 financial approval limit of LMHC's CEO as set out in "Purchasing Policies and Guidelines".

RECOMMENDATION:

That the Board APPROVE the following recommendations:

1. APPROVE the award of the work to R. Russell Construction contract for the selected asphalt, and accessibility initiatives set out in RFP 2021-CMHC-0011 at the above noted properties for the sum of \$743,848 + HST.
2. AUTHORIZE LMHC staff to take the necessary steps to give effect to the above recommendation(s).

BACKGROUND:

The Co-Investment program approved on November 25, 2021; LMHC in conjunction with the City of London (COL) as guarantor executed the loan agreement with CMHC of \$40,139,939. The funding allocation consists of \$ 15,533,989 as a forgivable loan and \$24,602,101 repayable loan with the City of London guaranteeing \$37,000,000.

LMHC identified several projects to fulfil the programs requirement as identified in the Co-Investment Fund Portfolio Plan that when fully implemented would meet the energy savings, accessibility requirements and property enhancements required by CMHC to secure the funding.

For the purpose of this recommendation, LMCH retained the services of Pretium Engineering to provide recommendations on improvements to common area accessibility. Pretium performed site assessments at each property providing detailed description on nonconformance at areas that were unlevelled and did not meet accessibility requirements. Based on the assessment reports as well as a site walk through at each property, Edison Engineering Inc. in coordination with the LMCH project manager developed specifications and drawings to meet the conformance requirements.

The public tender issued Feb. 28th, 2023 had 4 registered bidders with only 2 bid submissions received at closing. All bidders were required to include WSIB, proof of insurance requirements, references, 10% bid bond, examples of similar projects, and confirm that there was no current litigation on the contractor. Based on queries received during the tender period, it is assumed that the bid bond requirement may have prevented the other contractors from bidding.

The bids received were very competitive for Baseline, McNay and Walnut; which included for smaller selected enhancements. As the scope increased for the larger projects of work, R. Russell Construction showed greater value in their unit rates.

Recommendation:

In consultation with Edison Engineering, it is our recommendation to award R. Russell Construction a contract to include for the scope of work as identified in Edison Engineering drawings and specifications; attached to this recommendation. LMCH will issue a CCDC2 contract with R. Russell Construction upon board approval.

Below highlights of R. Russell Construction submission:

- Low bidder
- Startup mid-June 2023 (contract signing dependent)
- Schedule completion Aug. 2023 (weather dependent)
- No current litigations
- Listed as a preferred vendor for municipalities

TENANT IMPACT:

Each property has a specific scope ranging from curb cutouts and line painting to full parking lot replacement. Notices to tenants will be sent via door drop, each property will receive timely notification of project start up and the impacts associated to that property. Site maps will be provided highlighting areas of construction. When required, alternate routing will be highlighted, and a field supervisor will be available to support.

Tenants will be informed of possible dust, noise, and fumes during the construction. Pylons/fencing will be in place identifying the construction area(s). There will be no construction on weekends and holidays.

FINANCIAL IMPACT:

The common area renovation projects included a variety of works inclusive of kitchens, furnishings, access control, signage, selected lounge enhancements and laundry rooms. A significant amount of the funds spent to date has been on the access control, relocation of accessibility devices and new entry doors. The values below represent funds spent to date as well as the anticipated spend for the outstanding projects. Included in the chart is a per property value that includes general conditions for the paving and accessibility project. The values demonstrate that the work for this project is within budget.

Common Areas								
Property	Program Budget Common Areas	Contingency	Budget	Spent to Date	Anticipated Project Spend	Paving & Accessibility	Total Anticipated + Spent to Date	Remaining
Baseline	275,000	\$30,000	\$305,000	\$20,000	\$150,000	\$111,100	\$281,100	\$23,900
McNay	275,000	\$30,000	\$305,000	\$18,000	\$180,000	\$77,000	\$275,000	\$30,000
Dundas	275,000	\$30,000	\$305,000	\$20,000	\$115,000	\$15,600	\$150,600	\$154,400
Walnut	300,000	\$30,000	\$330,000	\$17,000	\$225,000	\$82,500	\$324,500	\$5,500
Kent	280,000	\$30,000	\$310,000	\$40,000	\$90,000	\$155,100	\$285,100	\$24,900
Wharncloffes	550,000	\$60,000	\$610,000	\$6,000	\$300,000	\$234,300	\$540,300	\$69,700
* ITC for remaining								

LEGAL IMPACT / RISK MANAGEMENT:

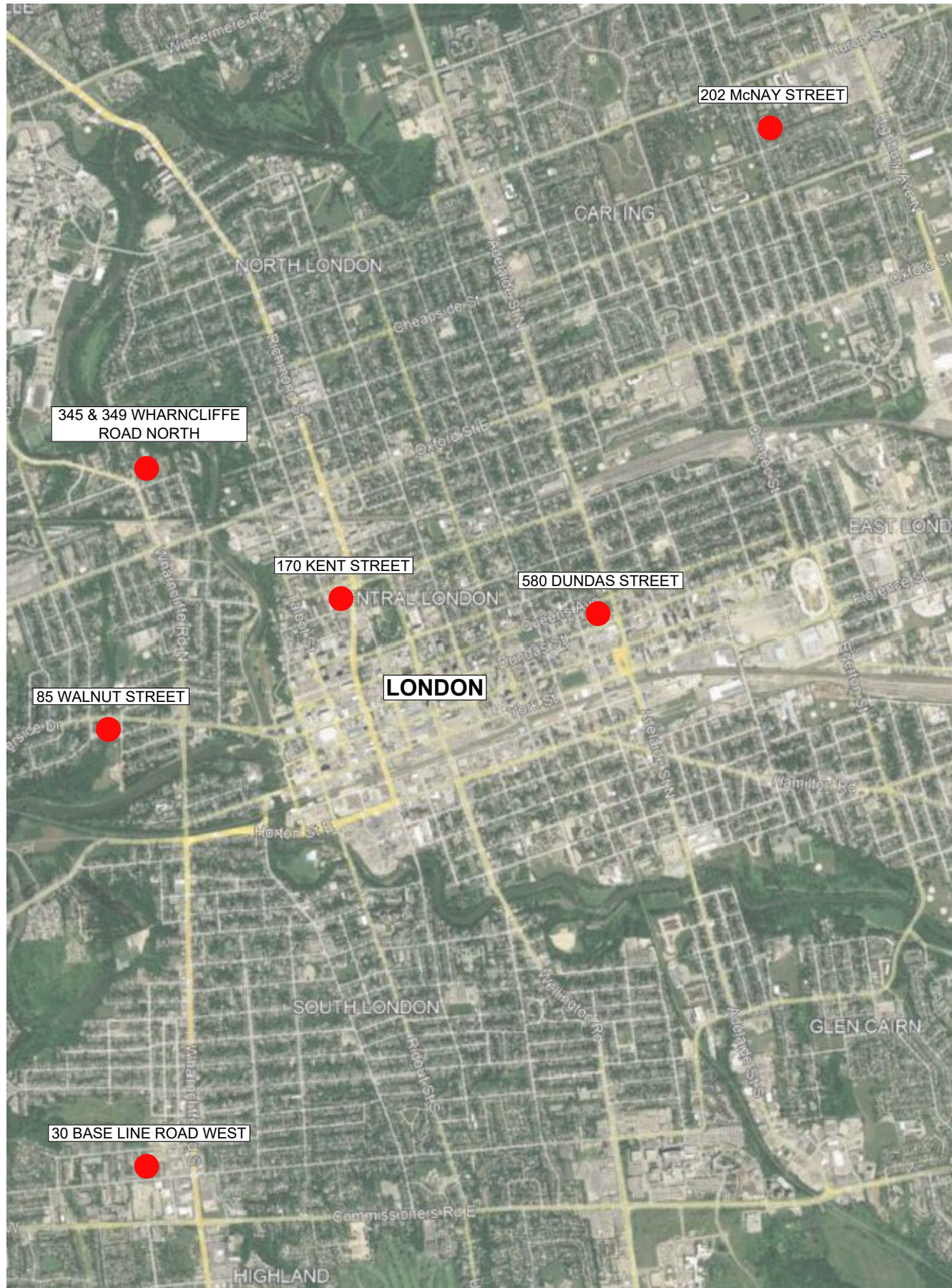
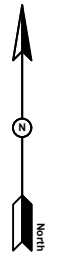
The submission submitted by R. Russel Contracting and recommended in this report is compliant with the requirements of the CMHC Program. Included in the submission is a 10% bid bond.

The bid value includes for cash allowance of \$30,000 for additional repairs and known/unknown existing conditions. As well a \$15,000 cash allowance for testing and inspections is included in the total bid price. In addition, the owner is holding a 10% contingency for this project reflected in the above values.

ATTACHMENTS:

- APPENDIX A: Drawings
- APPENDIX B: IN CAMERA ATTACHMENT Scoring Matrix

PREPARED and SUBMITTED BY:	STAFF CONTACT:
NAME: Paul Chisholm POSITION: Chief Executive Officer	Wendy Groves Construciton and Project Manager



CONCRETE, PAVING, & ACCESSIBILITY REPAIRS VARIOUS LOCATIONS, LONDON

DRAWING LIST:

- D-00 COVER
- D-01 202 McNAY STREET SITE PLAN
- D-02 202 McNAY STREET VISUALS
- D-03 30 BASE LINE ROAD WEST SITE PLAN
- D-04 30 BASE LINE ROAD WEST VISUALS
- D-05 85 WALNUT STREET SITE PLAN
- D-06 85 WALNUT STREET VISUALS
- D-07 170 KENT STREET SITE PLAN
- D-08 170 KENT STREET VISUALS
- D-09 580 DUNDAS STREET SITE PLAN
- D-10 580 DUNDAS STREET VISUALS
- D-11 345 & 349 WHARNCLIFFE ROAD NORTH SITE PLAN
- D-12 345 & 349 WHARNCLIFFE ROAD NORTH VISUALS
- D-13 ASPHALT PAVEMENT PROFILE DETAILS
- D-14 ASPHALT WALKWAY AND CRACK SEAL DETAILS
- D-15 SPEED CUSHION DETAILS
- D-16 CATCH BASIN DETAIL
- D-17 SIDEWALK SECTION DETAILS
- D-18 CURB AND SIDEWALK RAMP DETAILS
- D-19 STAIR DETAILS FOR WHARNCLIFFE ROAD NORTH

STAMPED BY ENGINEER:

NO.	DATE YY/MM/DD	REVISION	APPR.
1	23/04/05	CLIENT REVIEW	RJ



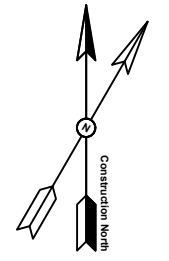
VARIOUS LOCATIONS
IN LONDON CORE

PAVING, CONCRETE, &
ACCESSIBILITY REPAIRS

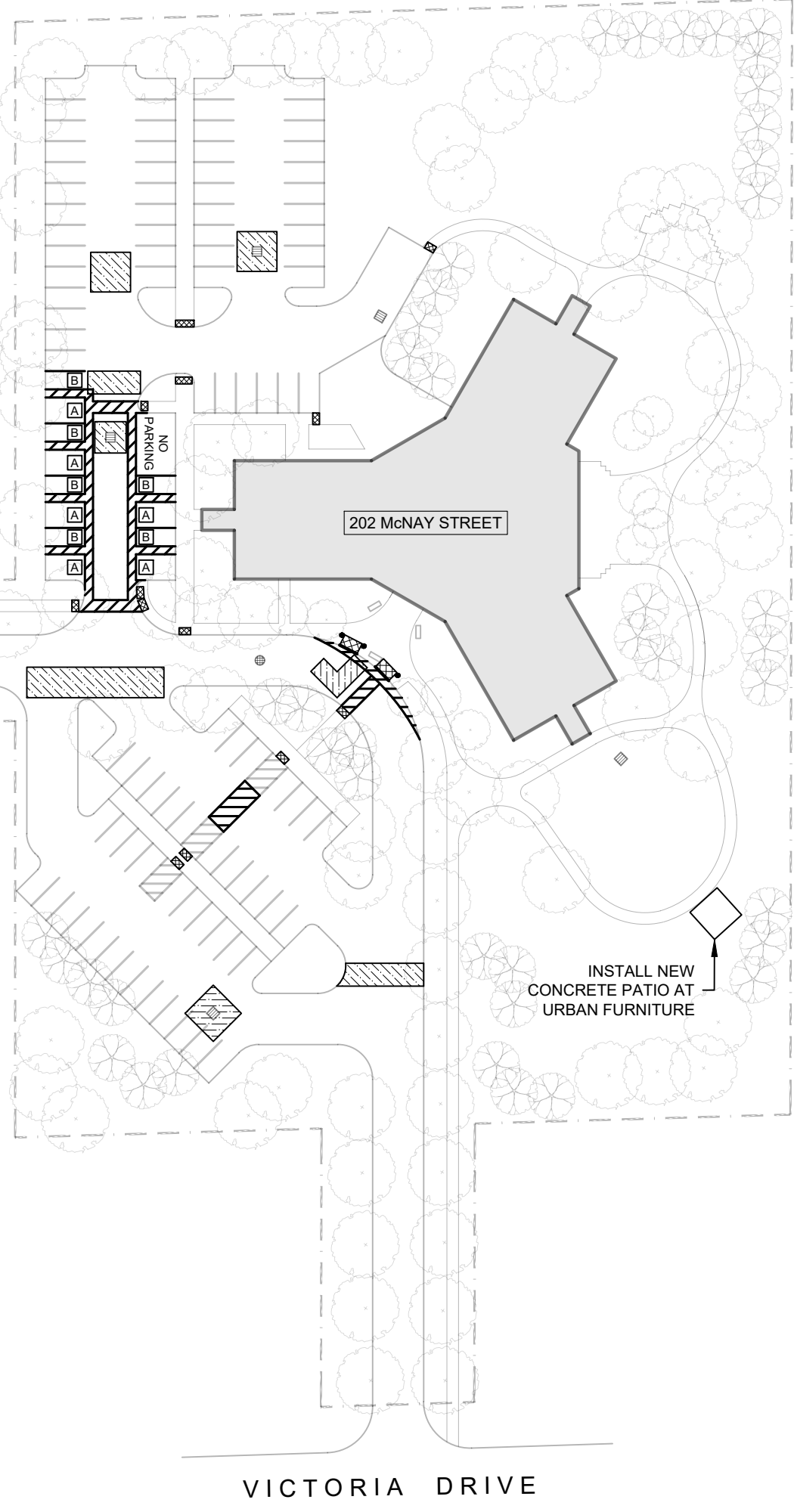
COVER

PROJECT No. LMCH.CMHC.0003.4025	DRAWING No. D-00
CHECKED BY GC	DRAWN BY ML
DATE 4-Apr-23	SCALE NTS
148	

1 LOCATION PLAN
D-00 SCALE : NTS



McNAY STREET














202 McNAY STREET

INSTALL NEW
CONCRETE PATIO AT
URBAN FURNITURE

VICTORIA DRIVE

LEGEND:

-  NEW TAI PAD
-  NEW CONCRETE SIDEWALK
-  NEW SIDEWALK AND CURB (COMBO)
-  NEW CURB OR CURB STOP
-  NEW SIDEWALK RAMP WITH TAI
-  APPROXIMATE ASPHALT REPAIR / REPLACEMENT LOCATION
-  NEW PAVEMENT MARKINGS
-  ACCESSIBLE STALL 'A' (3400mm WIDE)
-  ACCESSIBLE STALL 'B' (2400mm WIDE)
-  NEW BOLLARD
-  EXISTING CATCH BASIN

NOTES:

1. ASPHALT REPAIR LOCATIONS MAY DIFFER FROM SHOWN. TO BE CONFIRMED BY THE CONTRACTOR PRIOR TO PROCEEDING.
2. NUMBER OF STALLS (EXISTING AND NEW) MAY DIFFER FROM SHOWN. THE CONTRACTOR IS TO REPORT ANY DISCREPANCIES TO THE CONSULTANT BEFORE PROCEEDING.
3. DO NOT SCALE DRAWINGS.

STAMPED BY ENGINEER:

NO.	DATE YY/MM/DD	REVISION	APPR.
1	23/04/05	CLIENT REVIEW	RJ

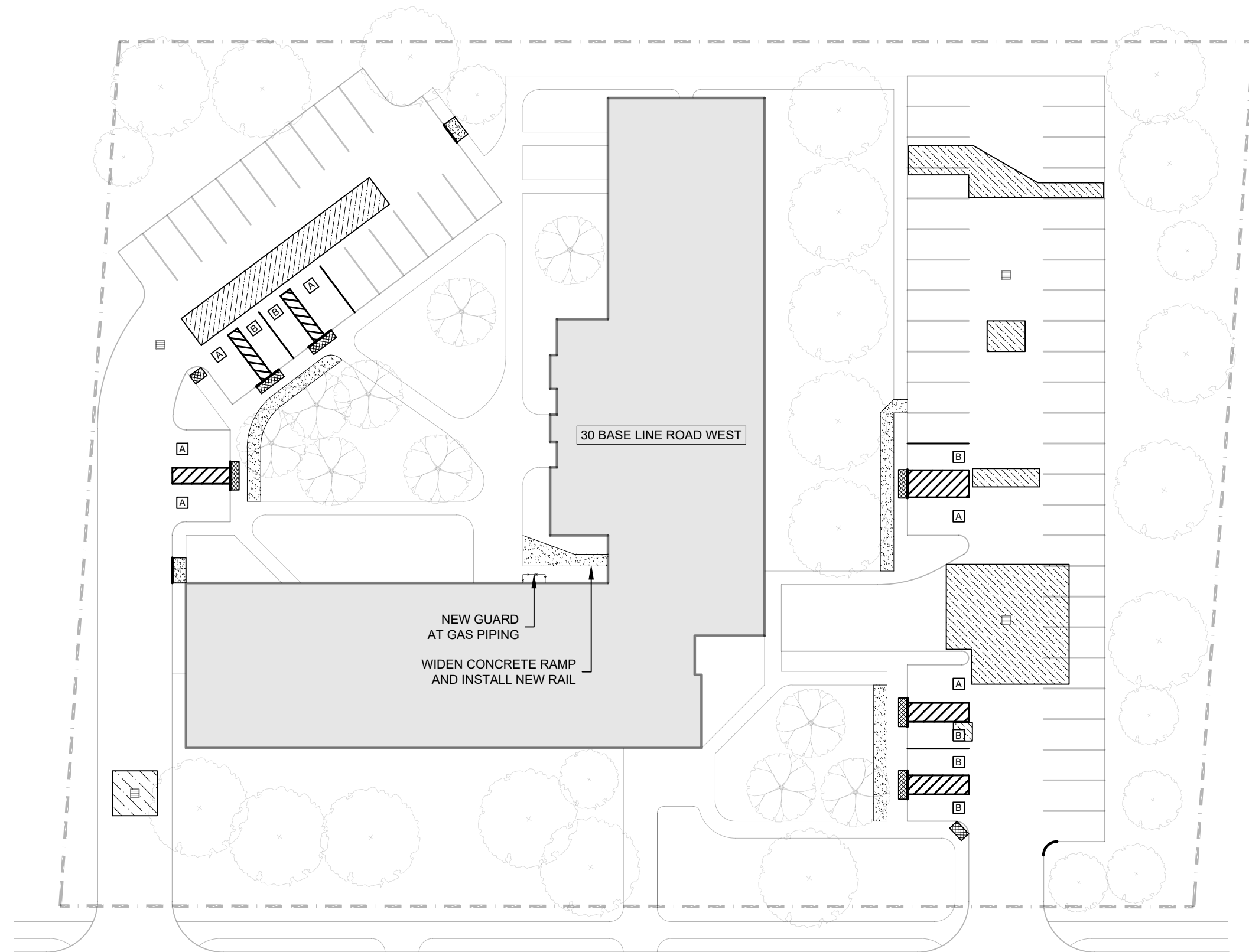
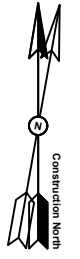


VARIOUS LOCATIONS
IN LONDON CORE

PAVING, CONCRETE, &
ACCESSIBILITY REPAIRS

202 McNAY STREET
SITE PLAN

PROJECT No. LMCH.CMHC.0003.4025		DRAWING No.
CHECKED BY GC	DRAWN BY ML	D-01
DATE 4-Apr-23	SCALE NTS	
		149













BASE LINE ROAD WEST

NOTES:

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2. NUMBER OF STALLS (EXISTING AND NEW) MAY DIFFER FROM SHOWN. THE CONTRACTOR IS TO REPORT ANY DISCREPANCIES TO THE CONSULTANT BEFORE PROCEEDING.
3. DO NOT SCALE DRAWINGS.

LEGEND:

-  NEW TAI PAD
-  NEW CONCRETE SIDEWALK
-  NEW SIDEWALK AND CURB (COMBO)
-  NEW CURB OR CURB STOP
-  NEW SIDEWALK RAMP WITH TAI

-  APPROXIMATE ASPHALT REPAIR / REPLACEMENT LOCATION
-  NEW PAVEMENT MARKINGS
-  ACCESSIBLE STALL 'A' (3400mm WIDE)
-  ACCESSIBLE STALL 'B' (2400mm WIDE)
-  NEW BOLLARD
-  EXISTING CATCH BASIN

STAMPED BY ENGINEER:

NO.	DATE YY/MM/DD	REVISION	APPR.
1	23/04/05	CLIENT REVIEW	RJ

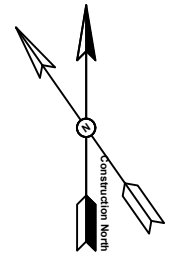


VARIOUS LOCATIONS
IN LONDON CORE












PAVING, CONCRETE, &
ACCESSIBILITY REPAIRS

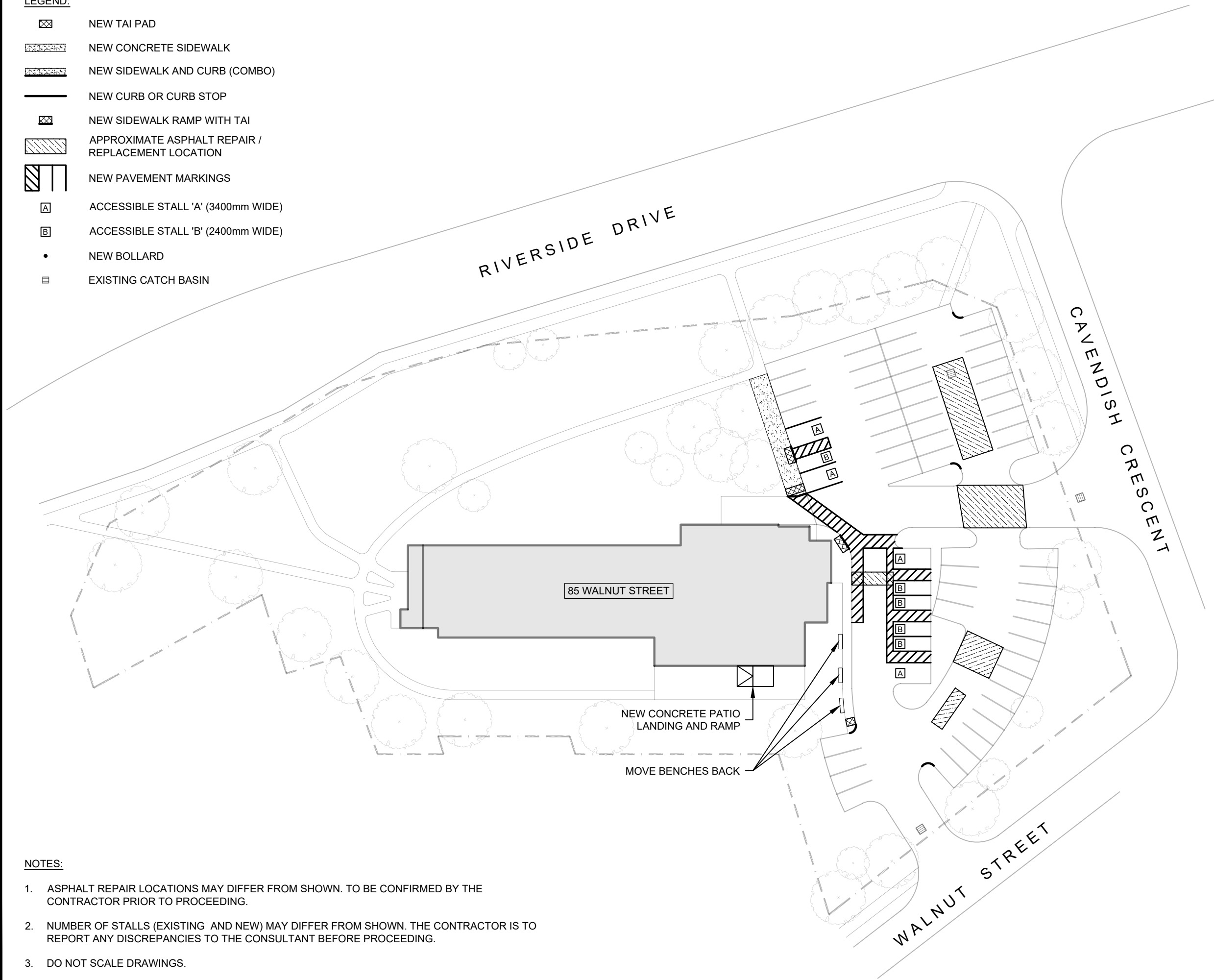
30 BASE LINE ROAD WEST
SITE PLAN

PROJECT No. LMCH.CMHC.0003.4025	DRAWING No. D-03
CHECKED BY GC	DRAWN BY ML
DATE 4-Apr-23	SCALE NTS
150	



LEGEND:

-  NEW TAI PAD
-  NEW CONCRETE SIDEWALK
-  NEW SIDEWALK AND CURB (COMBO)
-  NEW CURB OR CURB STOP
-  NEW SIDEWALK RAMP WITH TAI
-  APPROXIMATE ASPHALT REPAIR / REPLACEMENT LOCATION
-  NEW PAVEMENT MARKINGS
-  ACCESSIBLE STALL 'A' (3400mm WIDE)
-  ACCESSIBLE STALL 'B' (2400mm WIDE)
-  NEW BOLLARD
-  EXISTING CATCH BASIN



NOTES:

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3. DO NOT SCALE DRAWINGS.

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1	23/04/05	CLIENT REVIEW	RJ



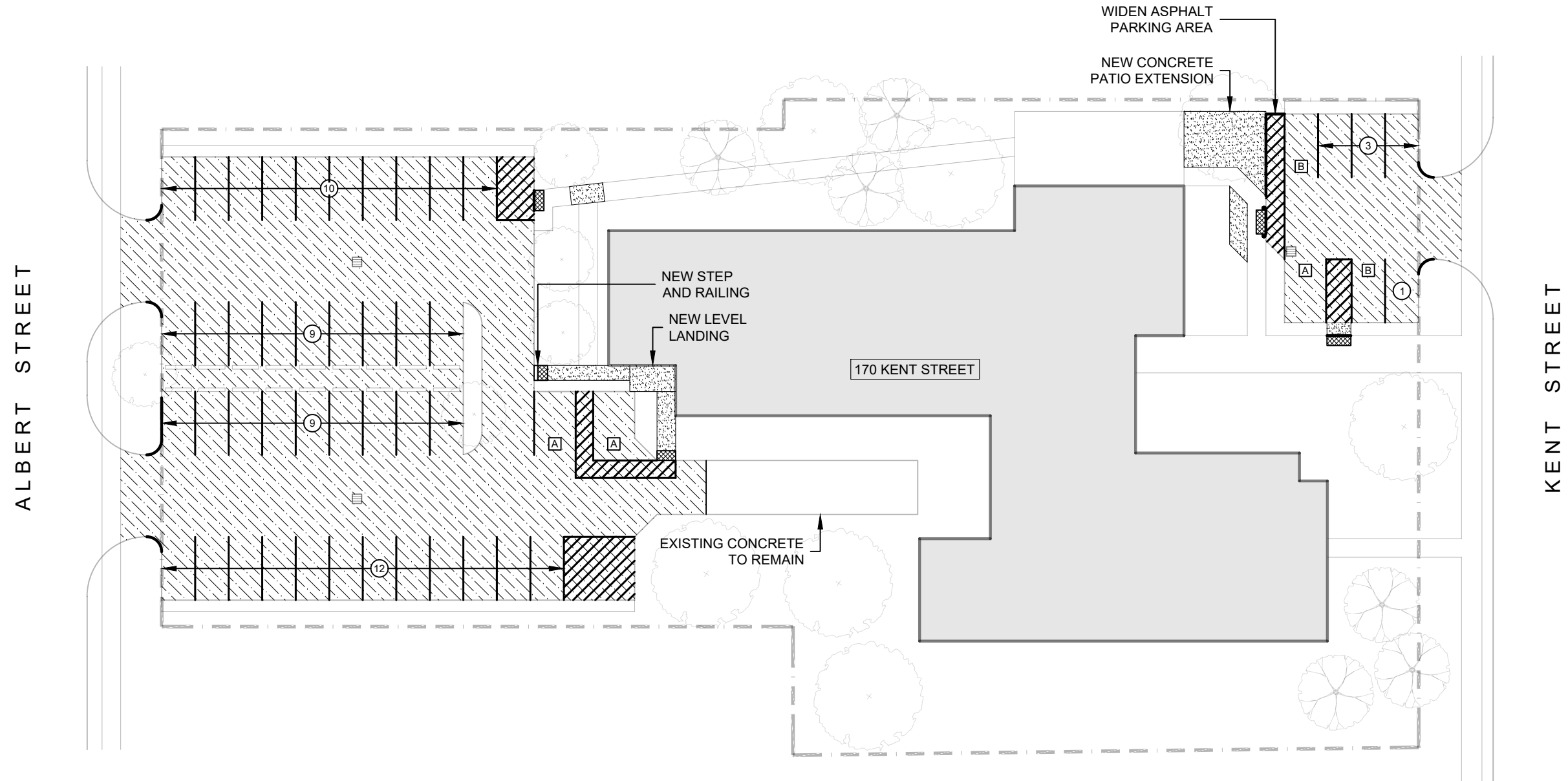
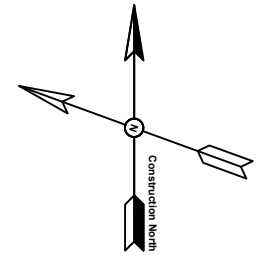
866-397-2506
INFO@EDISON ENGINEERS.CA

VARIOUS LOCATIONS
IN LONDON CORE

PAVING, CONCRETE, &
ACCESSIBILITY REPAIRS

**85 WALNUT STREET
SITE PLAN**

PROJECT No. LMCH.CMHC.0003.4025	DRAWING No. D-05
CHECKED BY GC	DRAWN BY ML
DATE 4-Apr-23	SCALE NTS
151	



ALBERT STREET

KENT STREET

170 KENT STREET

LEGEND:

- NEW TAI PAD
- NEW CONCRETE SIDEWALK
- NEW SIDEWALK AND CURB (COMBO)
- NEW CURB OR CURB STOP
- NEW SIDEWALK RAMP WITH TAI
- APPROXIMATE ASPHALT REPAIR / REPLACEMENT LOCATION



- NEW PAVEMENT MARKINGS
- ACCESSIBLE STALL 'A' (3400mm WIDE)
- ACCESSIBLE STALL 'B' (2400mm WIDE)
- NEW BOLLARD
- EXISTING CATCH BASIN

NOTES:

1. FULL ASPHALT REPLACEMENT IS REQUIRED.
2. NUMBER OF STALLS (EXISTING AND NEW) MAY DIFFER FROM SHOWN. THE CONTRACTOR IS TO REPORT ANY DISCREPANCIES TO THE CONSULTANT BEFORE PROCEEDING.
3. DO NOT SCALE DRAWINGS.

STAMPED BY ENGINEER:

NO.	DATE YY/MM/DD	REVISION	APPR.
1	23/04/05	CLIENT REVIEW	RJ

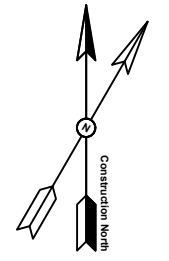


VARIOUS LOCATIONS
IN LONDON CORE

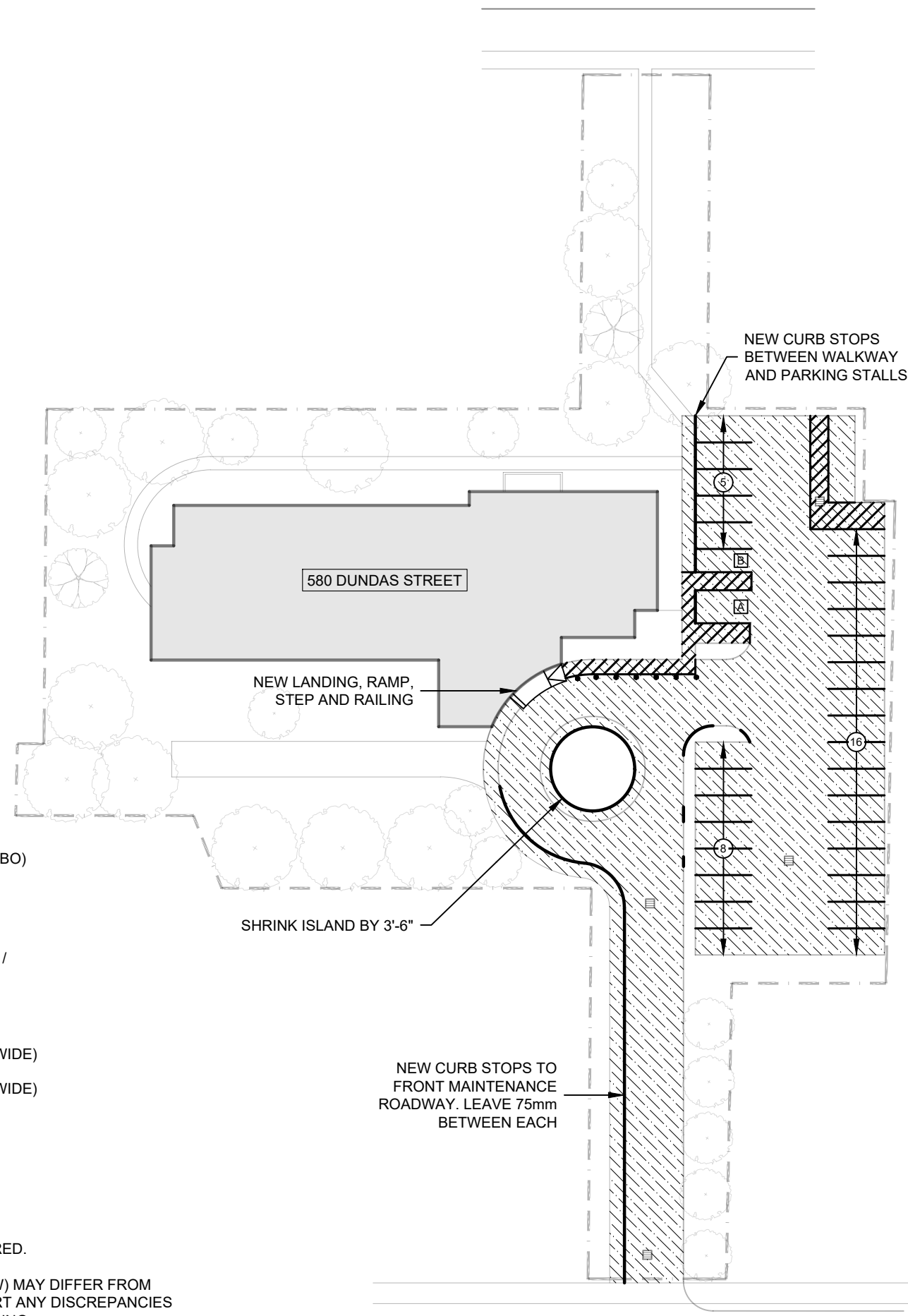
PAVING, CONCRETE, &
ACCESSIBILITY REPAIRS

**170 KENT STREET
SITE PLAN**




PROJECT No. LMCH.CMHC.0003.4025	DRAWING No.
CHECKED BY GC	DRAWN BY ML
DATE 4-Apr-23	SCALE NTS
D-07	
152	



QUEENS AVENUE



LEGEND:

-  NEW TAI PAD
-  NEW CONCRETE SIDEWALK
-  NEW SIDEWALK AND CURB (COMBO)
-  NEW CURB OR CURB STOP
-  NEW SIDEWALK RAMP WITH TAI
-  APPROXIMATE ASPHALT REPAIR / REPLACEMENT LOCATION
-  NEW PAVEMENT MARKINGS
-  ACCESSIBLE STALL 'A' (3400mm WIDE)
-  ACCESSIBLE STALL 'B' (2400mm WIDE)
-  NEW BOLLARD
-  EXISTING CATCH BASIN

NOTES:

1. FULL ASPHALT REPLACEMENT IS REQUIRED.
2. NUMBER OF STALLS (EXISTING AND NEW) MAY DIFFER FROM SHOWN. THE CONTRACTOR IS TO REPORT ANY DISCREPANCIES TO THE CONSULTANT BEFORE PROCEEDING.
3. DO NOT SCALE DRAWINGS.

DUNDAS STREET

STAMPED BY ENGINEER:

NO.	DATE YY/MM/DD	REVISION	APPR.
1	23/04/05	CLIENT REVIEW	RJ

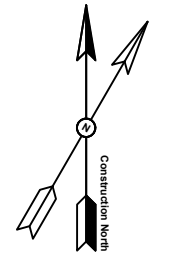


VARIOUS LOCATIONS
IN LONDON CORE

PAVING, CONCRETE, &
ACCESSIBILITY REPAIRS

580 DUNDAS STREET
SITE PLAN

PROJECT No. LMCH.CMHC.0003.4025		DRAWING No.
CHECKED BY GC	DRAWN BY ML	D-09
DATE 4-Apr-23	SCALE NTS	
		153



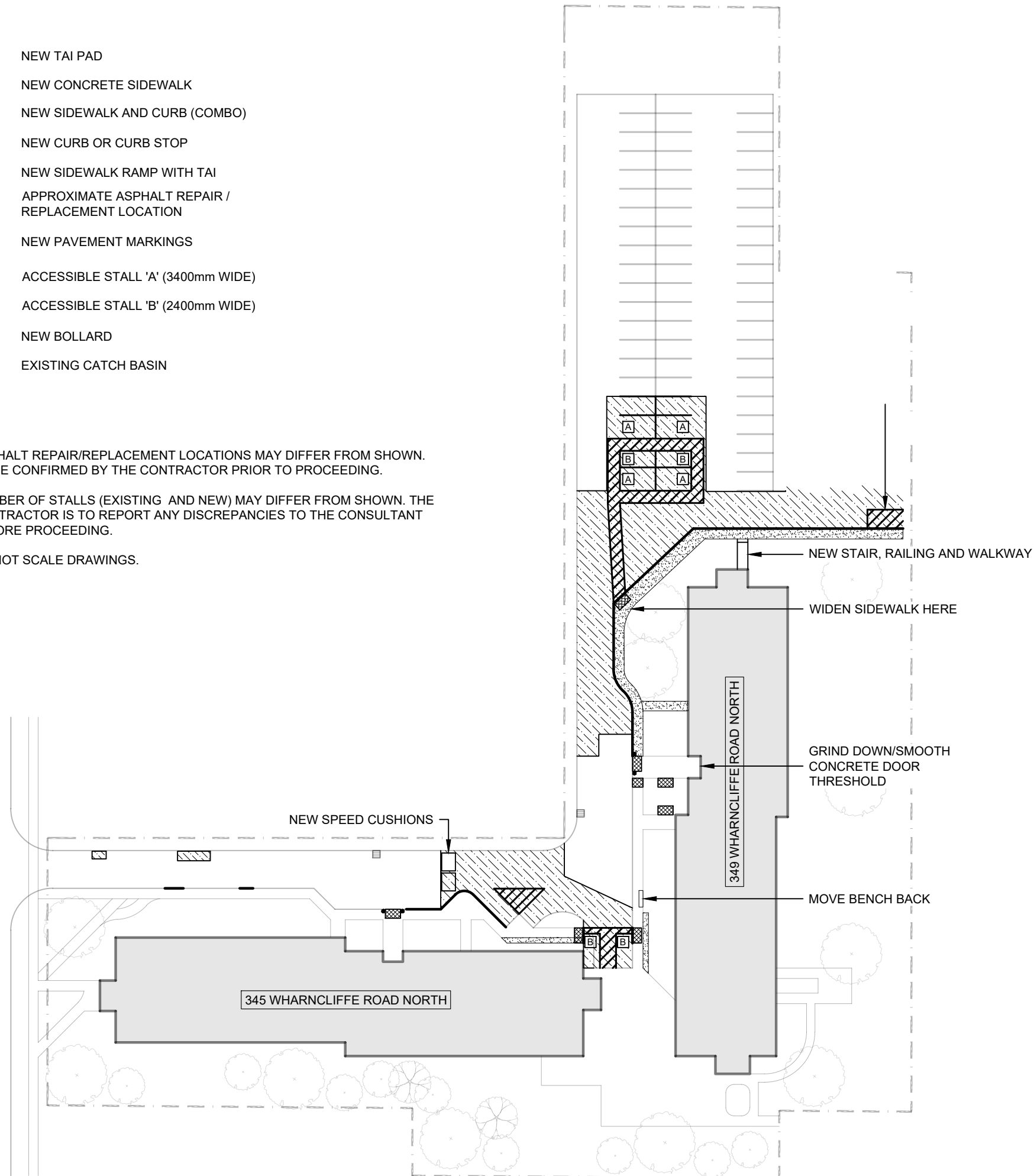
LEGEND:

- NEW TAI PAD
- NEW CONCRETE SIDEWALK
- NEW SIDEWALK AND CURB (COMBO)
- NEW CURB OR CURB STOP
- NEW SIDEWALK RAMP WITH TAI
- APPROXIMATE ASPHALT REPAIR / REPLACEMENT LOCATION
- NEW PAVEMENT MARKINGS
- ACCESSIBLE STALL 'A' (3400mm WIDE)
- ACCESSIBLE STALL 'B' (2400mm WIDE)
- NEW BOLLARD
- EXISTING CATCH BASIN

NOTES:

1. ASPHALT REPAIR/REPLACEMENT LOCATIONS MAY DIFFER FROM SHOWN. TO BE CONFIRMED BY THE CONTRACTOR PRIOR TO PROCEEDING.
2. NUMBER OF STALLS (EXISTING AND NEW) MAY DIFFER FROM SHOWN. THE CONTRACTOR IS TO REPORT ANY DISCREPANCIES TO THE CONSULTANT BEFORE PROCEEDING.
3. DO NOT SCALE DRAWINGS.

WHARNCLIFFE ROAD NORTH



STAMPED BY ENGINEER:

NO.	DATE YY/MM/DD	REVISION	APPR.
1	23/04/05	CLIENT REVIEW	RJ

Edison
ENGINEERS INC.
866-397-2506
INFO@EDISON ENGINEERS.CA

VARIOUS LOCATIONS
IN LONDON CORE

PAVING, CONCRETE, &
ACCESSIBILITY REPAIRS

**345 & 349 WHARNCLIFFE
ROAD NORTH
SITE PLAN**

PROJECT No. LMCH.CMHC.0003.4025		DRAWING No.
CHECKED BY GC	DRAWN BY ML	D-11
DATE 4-Apr-23	SCALE NTS	
		154

STAFF REPORT 2023- 35

TO: LMCH Board of Directors

FROM: Paul Chisholm, Chief Executive Officer

SUBJECT: Windows & Doors CMHC-2021-0015b – Contract Award Recommendation

DATE: May 15, 2023

PURPOSE:

The purpose of this report is to seek the Board of Director’s approval to award a contract for window replacement at Pond Mills and window and door replacement at Allan Rush property. As part of the approved budget line item for window and door replacements as part of the energy initiatives based on the CMHC Co-Investment Funding Program.

Board approval is required for this contract award as it exceeds the \$75,000 financial approval limit of LMHC’s CEO as set out in “Purchasing Policies and Guidelines”.

RECOMMENDATION:

That the Board APPROVE the following recommendations:

1. APPROVE the award of the work to Alpeza General Contracting contract for the window and door replacement project at the above noted properties for the sum of \$1,585,000 excluding HST.
2. Authorize LMHC staff to take the necessary steps to give effect to the above recommendation(s).

BACKGROUND:

The Co-Investment program approved on November 25, 2021; LMHC in conjunction with the City of London (COL) as guarantor executed the loan agreement with CMHC of \$40,139,939. The funding allocation consists of \$ 15,533,989 as a forgivable loan and \$24,602,101 repayable loan with the City of London guaranteeing \$37,000,000.

LMHC identified several projects to fulfil the programs requirement as identified in the Co-Investment Fund Portfolio Plan that when fully implemented would meet the energy savings, accessibility requirements and property enhancements required by CMHC to secure the funding.

Work selected under the energy savings portion of the CMHC program included window replacement at two (2) LMCH sites and door replacements at one (1) site. LMCH retained the services of Edison Engineering Inc. to develop performance specifications, details, and scope of work. In addition, Pinchin Environmental was retained to complete testing and develop a project specific work plan for abatement due to existing asbestos at caulking, drywall and joint compound.

Edison Engineering completed intrusive investigations at four (4) units at Allan Rush and three (3) units at Pond Mills to expose any hidden structural conditions. Of the sites reviewed wood framing was in good condition, noticeably at 2 units batt insulation was absent in sections. This work forms part of the scope of work; when required any framing found with water or other damage will be replaced during demolition and batt insulation to be installed. Pinchin Environmental has confirmed type 1 procedures for the abatement of asbestos and the requirements to complete work under those conditions.

The public tender issued April 24th, 2023, had 5 registered bidders; each attended the mandatory site review. All bidders were required to include in their submission WSIB, proof of insurance requirements, references, project similarity examples, project schedule and indicate that no current litigation on the contractor was being pursued.

The scope of work includes for front and back doors along with windows at Allan Rush properties, at 86 – 3-bedroom units and 14 – 4-bedroom units. Work will also include for new wood supports between the façade and front entrance stairs. Pond Mills will receive new windows at 15 – 2 bedrooms, 50 – 3 bedroom and 16 – 4-bedroom units.

The project scope also includes for 1 mockup at each site this will assist in finalizing methodology of tasks and determine timelines per unit.

Of the five (5) submitted bids, 3 bids came within the proposed budget for this project. With an approximate \$147,800 spread between those three bidders. When reviewing the complete package, Alpeza General Contracting provided the most comprehensive package with strong project comparable.

RECOMMENDATIONS:

The submission provided by Alpeza General Contracting Inc. is competitive and provides a fulsome response. Alpeza project comparable are equivalent to the work being undertaken by LMCH. Alpeza is recommended to be awarded the contract for window and doors upon final reference check.

Below highlights of Alpeza General Contracting Inc.:

- Competitive bidder.
- Bidder did not use alternates.
- Comparable project listing included type 1 asbestos removal at a replacement

window project for Toronto Community Housing Corporation valued at \$2,290,000

- Selected project manager and site superintendents for the projects each have over 10 years with Alpeza General Contracting Inc..
- No current litigations

ESTIMATED TIMELINE:

This project has a number of phases that will impact the timeline, including:

- Phase 1 - Complete one unit mockup unit to confirm the approach to site preparation, installation method and overall performance standard of the doors against RFP requirements – up to 4 weeks
- Phase 2 - Lead time for the windows and doors are estimated at 10 weeks from confirmation of the order.
- Phase 3 – Installation, once initiated, will take approximately 13-15 weeks.

TENANT IMPACT:

The project is quite intrusive to the residences of each property. The contractor has included for a project coordinator, site supervisor and a team to assist with preparation prior to construction activities. Each unit will have window trim removed for same day reinstalment once window has been retrofitted. Poly will be used as covering for furnishing and to create an enclosure to mitigate dust and debris. The contractor’s team will be responsible for the daily cleanup of each unit and all units must be weather tight at the end of each work day.

Communications of this project will start in June to introduce the project and will continue throughout the summer months when more information is available from the manufacturer of the procurement of the materials.

FINANCIAL IMPACT:

The Window & Door project was budgeted at \$2,018,500 as detailed below. Alpeza’s submission is within the budget estimate.

Estimate		Actual	
Install Budget	\$1,835,500	Contractor Submission	\$1,791,050
Contingency	\$ 183,500		\$ 183,500
Contract Admin	\$ 36,500		\$ 36,500
	\$2,018,500		\$2,010,950
Remaining			\$ 7,550

Two optional prices were requested on the bid form.

1. Salvage of existing siding window capping. Decrease to project -\$8,000
This will be determined during the mockup installation, dependent if the capping can be reused once removed.
2. Installation of half vent door security screen. Add to project \$60,000.
This item was requested, in response to a separate vent screen installed at the Pond Mills site. The frame is secured to the door for additional security when window is open. To be reviewed further during mockup installation. If screens are added this will be paid out of owner contingency.

LEGAL IMPACT / RISK MANAGEMENT:

The submission submitted by Alpeza General Contracting Inc. and recommended in this report is compliant with the requirements of the CMHC Program. Included in the submission is a 10% bid bond.

The bid value includes a \$62,000 cash allowance for testing (\$12,000), and additional repairs, (\$50,000) to mitigate budget increases during construction once concealed areas are exposed. The tender documents dictate steps required by the general contractor when deteriorating conditions are found, including photo submissions with time logs.

ATTACHMENTS:

APPENDIX A: IN CAMERA ATTACHMENT Scoring Matrix

APPENDIX B: Performance Specs

PREPARED and SUBMITTED BY:	STAFF CONTACT:
Paul Chisholm Chief Executive Officer	Wendy Groves Construction and Project Manager

STAFF REPORT 2023-36

TO: LMCH Board of Directors

FROM: Dirk Volschenk, Manager of Human Resources

SUBJECT: Update of Legal Indemnification Policy for Employees

DATE: May 11, 2023

PURPOSE:

To Receive and Approve the Legal Indemnification Policy for Employees which has been reviewed and updated to improve clarity around process for providing legal indemnification to employees against legal proceedings as a result of their execution of their duties for LMCH.

RECOMMENDATION:

That the LMCH Board of Directors **APPROVE** the attached Policy.

HUMAN RESOURCES and GOVERNANCE COMMITTEE UPDATE:

The HRGC met on April 26, 2023, to review the Update of Legal Indemnification Policy for Employees Report. The Committee reviewed specific areas of the policy that focused on policy Sole discretion and Extraordinary Approval. After discussion and review the Committee approved the report and Policy, to be submitted to the Board for approval.

BACKGROUND:

The current version of the Legal Indemnification Policy provided legal indemnification to an Employee's legal proceedings without affording LMCH sufficient input and control over which counsel will be appointed.

It has been identified that this poses a risk to LMCH whereby Employee's appoint "high cost" counsel as they perceive themselves to be identified and also appointing counsel who doesn't have a joint mandate to protect the interests of LMCH and the Employee jointly.

As the content related to Legal Proceedings the Policy was reviewed by external Counsel who reviewed and updated the Policy in order to provide LMCH greater control over the approval of counsel in coordinated defense situations and introduced language clearly

stating that an employee who wishes to appoint their own counsel or have separate representation will do so at their own costs.

Additionally language was introduced to deal with fee disputes, exclude proceedings under worker’s compensation legislation, and provides more appropriate and consistent definitions.

CONCLUSION:

This policy has been reviewed and recommendations made for changes after a routine policy review. There is no recent, current or pending litigation that LMCH is aware of where this policy would be relied on by LMCH Staff. The revised policy provide clarity on indemnification for employees.

ATTACHMENTS:

APPENDIX A: Indemnification Policy DRAFT

PREPARED and SUBMITTED BY:	REVIEWED and CONCURRED BY:
Dirk Volschenk Manager, Human Resources	PAUL CHISHOLM CHIEF EXECUTIVE OFFICER



RELATED DOCUMENTATION

Legislation	N/A
Collective Agreement	Article 31.13
Forms	N/A
Policies	<ul style="list-style-type: none"> Employee Code of Conduct Conflict of Interest Policy
Other Resources	

1.0 PURPOSE

Employees may be subject to Legal Proceedings related to their employment with London & Middlesex Community Housing (“LMCH”) despite the fact that they are acting honestly and in good faith with a view to the best interests of LMCH in the execution or intended execution of their duties.

This policy sets out how and when LMCH may, subject to the approval of the CEO, provide indemnification for reasonable legal costs incurred in association with the execution of their duties for LMCH.

2.0 SCOPE

This Policy applies to all Employees at LMCH. For the purposes of this Policy only, “Employees” include:

- Board Members
- Management
- Bargaining Excluded Staff, Unionized Employees and Temporary Staff
- Volunteers including Students

Indemnification may be denied where the Employee was acting in bad faith or outside the scope of their duties as an Employee, as determined by LMCH in its sole discretion, regardless of the outcome of the Legal Proceeding.

3.0 DEFINITIONS

Employee: An LMCH employee as described in Section 2.0 of this Policy, including a person who was an LMCH Employee at the time of the incident giving rise to the Legal Proceeding, but thereafter ceased to be an LMCH Employee.

Indemnification: Means payment for, or reimbursement of, Legal Costs paid on behalf of or by an Employee as a result of a Legal Proceeding.

Legal Costs: Means lawyers' fees, disbursements, and other costs or expenses necessarily and reasonably incurred for the defence or representation of an Employee in a Legal Proceeding.



Legal Proceedings: means any civil, criminal, regulatory, administrative, or other proceeding; or any inquest, inquiry, or similar hearing before a board or tribunal (Inquiry) brought against or requiring the attendance of the Employee relating to the conduct of the Employee in the execution or intended execution of their duties for LMCH, except where that proceeding is held under the grievance or arbitration procedure as contained within a Collective Agreement and the conduct of the LMCH Employee is called into question or any proceeding under workers compensation legislation, and subject to additional exceptions/exclusions outlined in Section 4.0 of this Policy.

4.0 POLICY STATEMENT

Where qualified under this policy, an Employee will be indemnified by LMCH for Legal Costs necessarily incurred for the defense and representation of the Employee in a Legal Proceeding.

Legal Proceedings Not Eligible for Indemnification:

- Where the Legal Proceeding relates to an employee grievance or to disciplinary action taken by LMCH.
- Where a claim that may give rise to a civil action is covered by LMCH's general liability insurance policy and legal representation will be provided for the employee by the insurer.
- Any proceeding under workers compensation legislation, including where the WSIB commences Legal Proceedings on behalf of an Employee to recover damages against a third party.
- Where the Employee, at the time of the incident giving rise to the Legal Proceeding, was acting in their capacity as a private citizen.

Conditions of Indemnification:

- The Employee must notify the CEO or designate in writing of the Legal Proceeding as soon as it becomes known and, in any event, before counsel has been retained.
- If both an individual Employee and LMCH are named in a Legal Proceeding and a coordinated defense is possible, LMCH will select, appoint and pay for counsel. Should the Employee wish to retain separate counsel, the Employee will be responsible for payment of legal costs for their separate counsel and no indemnification will be provided by LMCH.
- In Legal Proceedings where LMCH is not also named and, therefore, a coordinated defense is not possible, LMCH reserves the right to approve the Employee's choice of counsel, require legal fee estimates from counsel and review invoices.
- The Employee must make a factual report to the CEO of the incident leading to the request for legal assistance or indemnification;
- A written estimate for the Legal Costs of the Legal Proceeding, including a statement of the lawyer's hourly rate, must be provided to LMCH for approval;
- The Employee must cooperate with LMCH in any internal investigation of the incident that gave rise to the Legal Proceeding;
- The Employee must submit the lawyer's bill to the CEO for review prior to payment. In the event of a disagreement, the lawyer's bill may be subject to an assessment by an Assessment



Officer, whose decision shall bind the parties. LMCH will not be responsible for payment over and above the assessed amount. The balance of Legal Costs, if any, will be a matter between the Employee and legal counsel;

- Where applicable, quarterly invoices must be submitted by the Employee to LMCH.

Failure of the Employee to meet the above requirements may result in denial of legal assistance and indemnification and result in personal liability for Legal Costs. An acquittal in offence cases, or dismissal of a civil suit, does not entitle the Employee to reimbursement of expenses that have been previously denied.

For each subsequent stage of the judicial process (for example, appeals), or for any significant change in the circumstances related to the case, a new request for payment of legal assistance and indemnification is to be made and assessed in accordance with the considerations set out in this policy.

Outcome and Indemnification

Where LMCH approves the retention of a lawyer by an Employee, indemnification will be provided in accordance with this policy, regardless of the outcome of the Legal Proceeding.

However, this does not apply where the Employee misrepresented or concealed facts that would have led to the refusal of indemnification and, if indemnification was paid in such a case, the Employee shall reimburse LMCH for the amount paid out.

Recovery & Indemnification

Where an Employee in a legal proceeding recovers costs from other parties, the amount of indemnification paid by LMCH will be reduced accordingly.

Extraordinary Approval for Indemnification

The Chair of the LMCH Board of Directors may, at their sole discretion, despite any provision of this policy, approve the indemnification of legal costs to an Employee where to do so is fair and reasonable in the circumstances.

The Employee as Plaintiff

In a situation where an Employee is a potential plaintiff in a civil action relating to their duties for LMCH, LMCH will address possible indemnification for Legal Costs on a case by case basis taking into account all facts that LMCH views as relevant, which may include:

1. Whether the employee (and possibly LMCH) suffered harm.
2. Whether the harm was sustained in connection with the performance of duties.
3. Whether the harm was of some significance.
4. Whether civil action is likely to be successful (the likelihood of obtaining a favorable judgement, the value of damages that might be awarded, and the likelihood of recovering those damages).



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5. Whether the civil action would be inconsistent with the interests of LMCH (and perhaps outweigh the desirability of supporting the employee by financing the proposed civil action).

5.0 DOCUMENT CONTROL

Date Drafted	February 2023
Date Approved	
Date Revised	
To be reviewed	
Inquiries to Policy Owner	Human Resources