



## **Audit and Administration Committee MINUTES**

**9:30 a.m.**

**Wednesday, February 18, 2009**

**Committee Room 207**

**Hamilton Convention Centre**

**One Summer's Lane**

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**Present:** Chair B. Clark  
Councillors B. Bratina, C. Collins, B. Morelli, and M. Pearson

**Absent with Regrets:** T. Whitehead (personal)

**Also Present:** T. Tollis, Acting General Manager, Finance and Corporate Services  
P. Barkwell, Director, Legal Services  
M. McChesney, P. MacNeil, Information Services  
R. Male, A. Boakes, Purchasing  
B. McMullen, Manager, Accounting Services  
S. Hayden, Deputy Clerk, City Clerks Office  
M. Meyer, City Clerk's Office

### **THE FOLLOWING ITEMS WERE REPORTED TO COUNCIL FOR CONSIDERATION:**

- 1. Quarterly Status Report on the Use of Policy #10 - Emergency Purchasing and Policy #11 - Negotiations for the 4<sup>th</sup> Quarter 2008 (FCS08043(c)) (City Wide) (Item 5.1)**

**(Collins/Powers)**

That Information Report FCS08043(c) respecting Quarterly Status Report on the Use of Policy #10 - Emergency Purchasing and Policy #11 - Negotiations for the 4<sup>th</sup> Quarter 2008 be received.

**CARRIED**

**2. FOI Quarterly Report (October 1 to December 31 2008) (CL08003(c)) (City Wide) (Item 5.2)**

**(Collins/Powers)**

That Information Report CL08003(c) respecting Monthly FOI Quarterly Report (October 1 to December 31 2008) be received.

**CARRIED**

**3. Correspondence from Grant Thornton respecting Initial Communication on Audit Planning (Item 7.1(a))**

**(Pearson/Morelli)**

That the Initial Communication on Audit Planning from Grant Thornton be received.

**CARRIED**

**4. 2008 External Audit Plan and Fees (FCS09018) (City Wide) (Item 7.1(c))**

**(Powers/Bratina)**

That Information Report FCS09018 respecting 2008 External Audit Plan and Fees be received.

**CARRIED**

**5. Independent Review of Financial Implications of Sewer Treatment Plan (Added Motion)**

**(Clark/Pearson)**

That staff be directed to have an independent review conducted of the financial implications of the phased-in approach to the Sewage Treatment Plan.

**CARRIED**

**6. 2009 Purchasing Policy Updates (FCS09020) (City Wide) (Item 8.1)**

**(Powers/Pearson)**

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

- (i) Make reference to the New Energy Commodity Policy and Proposed Amendments to the Existing Commodity Price Hedging Policy (PW08144/ FCS08114) (City Wide) report;

- (ii) Amend Policy 1 – Policy for Electronic Vendor Database to include criteria for vendor eligibility and rename as Policy for Vendor Eligibility;
  - (iii) Amend Policy 5 – Policy for Determining Procurement Process to streamline the types of processes and to allow for funding requirements;
  - (iv) Amend Policy 11 – Policy for Negotiations to redefine the types of negotiations used;
  - (v) Amend Policy 12 – Policy for Cooperative Purchasing to allow the City to take advantage of piggyback clauses;
- (b) That recommendation (b) of Report FCS09020 respecting 2009 Purchasing Policy Updates, which reads as follows, be referred to Committee of the Whole for consideration:
- “(b) That the City of Hamilton not adopt any specific procurement policy with respect to applying a preference, or penalty, based on: item (i) - the geographical location of any vendor/supplier, or potential vendor/supplier, of goods and/or services to the City of Hamilton and its’ affiliated entities; and item (ii) - the Canadian, Ontario and/or Hamilton/local content of any goods and/or services provided, or to be provided, to the City of Hamilton and its’ affiliated entities;”
- (c) That Item I be removed from the Outstanding Business List of the Audit and Administration Committee.

**Amendment CARRIED  
Motion as Amended CARRIED**

**7. Award of Corporate Quotations C12-02-09 Supply and Delivery of Hard Hats and Safety Vests (FCS09021) (City Wide) (Item 8.2)**

**(Pearson/Morelli)**

That the Corporate Request for Quotations, C12-02-09 for Supply and Delivery of Hard Hats and Traffic Safety Vests, be awarded to the lowest Compliant Bidder, Ontario Glove and Safety.

**CARRIED**

**8. Information Services – Disaster Recovery (FCS09017) (City Wide) (Item 8.3)**

**(Collins/Pearson)**

- (a) That City staff be directed to proceed with Phase 3 of the Information Services (IS) Disaster Recovery Planning Project to build a backup data centre as part of the new Hamilton Public Library Waterdown Construction Project (approved by the Hamilton Public Library Board September 17, 2008); and
- (b) That project costs be charged to capital project 3500941906 (IS Construct a Disaster Recovery Facility).

**CARRIED**

**FOR THE INFORMATION OF COUNCIL:**

**(a) CHANGES TO THE AGENDA (Item 1)**

The Clerk advised of the following changes to the agenda:

- (i) Item 4.2 is a request from Donald Fraser, Hamilton and District Labour Council, respecting “Buy Local, Buy Ontario, Buy Canada”, which is addressed in Report FCS09020 respecting Purchasing Policy Updates, which is Item 8.1 on today’s agenda. Should Committee approve this request for today, then this delegation will be added as Item 6.2.
- (ii) A request to address the Committee this morning has been made from Tony DePaulo and Ken Neuman from United Steelworkers respecting Report FCS09020 respecting Purchasing Policy Updates, which is Item 8.1 on today’s agenda. A copy of the request has been circulated. Should Committee approve this request for today, then this delegation will be added as Item 6.3.
- (iii) Item 8.1, 2009 Purchasing Policy Updates (FCS09020), will be moved up on the agenda to be considered immediately following the delegations respecting it.

**(Collins/Morelli)**

That the delegation request to from Tony DePaulo and Ken Neuman from United Steelworkers respecting “Purchasing Policy Updates” be approved.

**CARRIED**

**(Collins/Morelli)**

That the Rules of Order be waived to allow the following delegations to address the Committee as Items 6.2 and 6.3 respectively:

- (i) Donald Fraser, Hamilton and District Labour Council, respecting “Buy Local, Buy Ontario, Buy Canada”
- (ii) Tony DePaulo and Ken Neuman, United Steelworkers, respecting “Purchasing Policy Updates”

**CARRIED**

On a motion **(Morelli/Powers)** the agenda was approved as amended.

**(b) DECLARATIONS OF INTEREST (Item 2)**

There were no declarations of interest.

**(c) MINUTES (Item 3)**

**(i) Minutes of the budget meeting held on January 27, 2009 (Item 3.1)**

**(Morelli/Powers)**

That the minutes of the Audit and Administration Committee budget meeting held on January 27, 2009 be approved as presented.

**CARRIED**

**(ii) Minutes of the budget meeting held on February 4, 2009 (Item 3.2)**

**(Morelli/Powers)**

That the minutes of the Audit and Administration Committee budget meeting held on February 4, 2009 be approved as presented.

**CARRIED**

**(d) DELEGATIONS REQUESTS (Item 4)**

**(i) Greg Dunnett, Hamilton Tiger-Cats Football Club, respecting partnership with the City of Hamilton (Item 4.1)**

**(Powers/Morelli)**

That the delegation request from Greg Dunnett, Hamilton Tiger-Cats Football Club, respecting partnership with the City of Hamilton, be approved for the March 4, 2009 Audit and Administration Committee meeting.

**CARRIED**

**(e) PUBLIC HEARINGS/DELEGATIONS (Item 6)**

- (i) Randy Smith, CAW Local 504, respecting the CAW Buy Canada Campaign (approved at the February 4, 2009 meeting) (Item 6.1)**

**(Powers/Pearson)**

That the delegation from Randy Smith, CAW Local 504, respecting the CAW Buy Canada Campaign be referred to Committee of the Whole.

**CARRIED**

- (ii) Donald Fraser, Hamilton and District Labour Council, respecting “Buy Local, Buy Ontario, Buy Canada” (Item 6.2)**

**(Morelli/Collins)**

That the delegation from Donald Fraser, Hamilton and District Labour Council, respecting “Buy Local, Buy Ontario, Buy Canada” be referred to Committee of the Whole.

**CARRIED**

- (iii) Tony DePaulo or Ken Neuman, United Steelworkers, respecting “Purchasing Policy Updates” (Item 6.3)**

As the delegation was not present and as the relevant portion of the report being addressed was referred to Committee of the Whole (see Item 6 above), this delegation was referred to Committee of the Whole.

**(f) PRESENTATIONS (Item 7)**

- (i) 2008 City of Hamilton Audit Plan – Grant Thornton (Item 7.1(b))**

Allister Byrne, Partner, and Melanie Dugard, Senior Manager provided a PowerPoint presentation respecting the 2008 City Of Hamilton Audit Plan. Copies of the presentation were included in the agenda package. Highlights of the presentation included:

- Background
- Matters impacting current year
- Audit approach
- Specific audit risks
- Specific audit plan
- Audit timing and fees

Committee passed a motion as outlined in Item 5 above.

**(Pearson/Morelli)**

That the presentation by Grant Thornton respecting the 2008 City of Hamilton Audit Plan be received.

**CARRIED**

**(g) 2009 Purchasing Policy Updates (FCS09020) (City Wide) (Item 8.1)**

Rick Male provided an overview of the report.

Committee requested that the Purchasing Policy include provisions respecting how two or more identical bids would be handled, should the situation ever arise.

Committee passed the following motions:

**(Morelli/Pearson)**

That recommendation (b) of Report FCS09020 respecting Purchasing Policy Updates be referred to Committee of the Whole.

**CARRIED**

**(Powers/Pearson)**

- (i) That recommendations (a)(i) to (v) of Report FCS09020 respecting 2009 Purchasing Policy Updates be approved;
- (ii) That no action be taken with respect to recommendation (a)(vi) of Report FCS09020;
- (iii) That recommendation (c) of Report FCS09020 be amended by deleting "G and" to read as follows:
  - "(c) That Item I be removed from the Outstanding Business List of the Audit and Administration Committee."

**CARRIED**

**(h) PRIVATE AND CONFIDENTIAL (Item 12)**

**(i) Minutes of the January 27, 2009 Closed Session Meeting (Item 12.1)**

**(Powers/Collins)**

- (a) That the minutes of the Audit and Administration Committee closed session meeting held on January 27, 2009 be approved as presented.
- (b) That the Minutes remain confidential and restricted from public disclosure in accordance with exemptions provided in the Municipal Freedom of Information and Protection of Privacy Act.

**CARRIED**

The minutes were approved in Open Session.

**(i) ADJOURNMENT (Item 13)**

**(Morelli/Pearson)**

The Audit and Administration Committee adjourned at 10:29 a.m.

Respectfully submitted,

Councillor Brad Clark, Chair  
Audit and Administration Committee

Mary-Ann Meyer  
Legislative Assistant  
February 18, 2009