

Mayor

DAVID MILLER

September 14, 2006

To All Members of Toronto City Council:

I have attached a summary of the City of Toronto's progress in implementing recommendations of the Toronto Computer Leasing Inquiry and the Toronto External Contracts Inquiry.

This progress report, prepared by the City Manager, comes one year after Commissioner Denise Bellamy published her four-volume account of what was learned during two independent judicial inquiries into the MFP computer leasing scandal and a number of information technology contracts related to it.

In her report, Commissioner Bellamy pointed out the unethical conduct of a handful of individuals involved with these matters. And she also outlined the failure of our administrative and political systems to expose such behavior and to prevent the resulting damage to the public interest and the City of Toronto's reputation. But, most importantly, the Commissioner provided us with 241 recommendations intended to make inquiries such as hers unnecessary in the future.

So, where do we stand one year after Commissioner Bellamy made her recommendations? After reading the City Manager's report, I'm sure you will agree with me that we've made considerable progress.

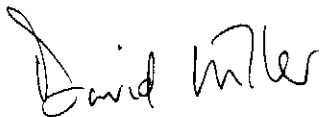
We have addressed the failures of our administrative system by updating staff codes of conduct and making it clear what we expect of people. A code of conduct for members of city council will also be adopted before the municipal election and a lobbyist code of conduct will be put in place as part of the lobbyist registry.

Council is creating new offices to provide oversight and to assure the public that the people who serve them are providing that service with integrity. During this term we appointed the first municipal integrity commissioner in Canada and we are already reaping the benefits as he gives direction and advice to Councillors on their ethical obligations. Next year, council will be hiring both a lobbyist registrar and an ombudsman to resolve citizen complaints against their municipal government.

We have already made fundamental changes to the way the City is run. In 2004 we overhauled our administrative structure to make it more responsive to the public. We also approved changes to council's own governance structure in order to improve policy coordination.

There is more to be done, of course. We cannot rest in our quest to provide the citizens of Toronto with the good government they deserve. But I believe the City Manager's report shows we are making the right moves in the right direction.

Yours truly,



Mayor David Miller
City of Toronto





Bellamy Inquiry Progress Report

A Summary of the City of Toronto's progress
in implementing recommendations of the
Toronto Computer Leasing Inquiry – Toronto External Contracts Inquiry

September 12, 2006





September 12, 2006

Dear Mayor Miller:

You have been directed by City Council, on the recommendation of Commissioner Denise Bellamy, to make a public progress report on the implementation of the Bellamy Inquiry recommendations at the first Council meeting following the first anniversary of the publication of the Inquiry's final report in September 2005.

To assist you in the preparation of your report, I am pleased to submit a summary of the progress we have made in the past twelve months.

Commissioner Bellamy provided us with a valuable roadmap. Many of the recommended measures were already in place or under development at the time of her report. However, with the benefit of the insights of the expert witnesses who took part in the inquiry and Commissioner Bellamy herself, we continue to make improvements.

Our ability to take action on many recommendations has been helped by the passage of the *City of Toronto Act, 2006*. For example, until now we have not had the powers to control lobbying in the way Commissioner Bellamy recommended.

We have completed or started work on most of the 241 recommendations. This work will continue through 2006 and into 2007. There is a small number of recommendations for which no action is planned or practical.

I have provided a summary of the status of each of the recommendations in this report.

A handwritten signature in black ink, appearing to read "Shirley Hoy". The signature is fluid and cursive, with a large, stylized initial "S" and "H".

SHIRLEY HOY
City Manager

Background

This report summarizes the progress made in the first year following the publication of the final report of the Toronto Computer Leasing Inquiry and the Toronto External Contracts Inquiry ("the Bellamy Inquiry").

Part I of this report contains a summary of actions taken by the City, future work planned to address Commissioner Bellamy's recommendations and those recommendations for which no action is possible or planned.

Part II of this report contains a summary of recommendations and the status of the City's response.

The Toronto Computer Leasing Inquiry (TCLI) and the Toronto External Contracts Inquiry (TECI) were independent judicial inquiries, established under Section 100 of the Municipal Act, 2001 by Toronto City Council. Madam Justice Denise Bellamy of the Superior Court of Justice was appointed Commissioner of both inquiries.

Toronto Computer Leasing Inquiry

The Toronto Computer Leasing Inquiry was established in February 2002 by a unanimous vote of Toronto City Council. In October 2002, City Council voted to expand the Inquiry's mandate. In so doing, it established the Toronto External Contracts Inquiry.

The mandate of TCLI was to inquire into all aspects of leasing contracts for computers and related software between the City of Toronto and MFP Financial Services and between the City of Toronto and Oracle Corporation. The Commissioner was to inquire into the history of the contracts and their impact on the ratepayers of Toronto.

The evidentiary hearings of TCLI were completed on September 29, 2004.

Toronto External Contracts Inquiry

TECI's mandate was to investigate a number of issues related to consultants retained by the City of Toronto and the former City of North York, and the purchase of computer hardware that subsequently formed the basis for the computer leasing Request for Quotations that is the subject of TCLI. The consulting agreements that were reviewed by the Commission concern the creation and implementation of the tax system of the former City of North York ("TMACS"), the amalgamated City of Toronto's selection of TMACS, and the development and/or implementation of TMACS at the amalgamated City of Toronto. The Inquiry also examined the circumstances surrounding the selection of Ball Hsu & Associates Inc. to provide consulting services to the City of Toronto.

TECI hearings ended on January 27, 2005.

Good Government Phase

Between January 16 and February 5, 2004, the Inquiry held hearings on the subject of good government. Individuals and panels of academics, politicians and experts presented ideas on the workings of municipal governments.

The Good Government phase was designed to help the Commissioner fulfill her mandate to make any recommendations which she deemed appropriate and in the public interest.

On July 13, 2004, Commissioner Bellamy transmitted to Mayor Miller the presentations, background papers and research materials from the Good Government hearings.

Final Report

The final report of the Inquiries was tabled by Commissioner Bellamy on September 12, 2005. The report comprised four volumes including the reports commissioned as part of the good government phase of the report.

Comissioner Bellamy made 241 recommendations; 238 for the City of Toronto and three recommendations to the Government of Ontario in respect of the Inquiry process.

Introduction

Commissioner Bellamy made 241 recommendations to the City. One year later, we have acted on 93% of the recommendations.

Our progress breaks down as follows:

- There are policies or initiatives already in place for 60% of the recommendations.
- We have started work on another 79 recommendations or 33%
- We plan to start work on another 11 recommendation in 2007
- Six recommendations are not actionable or have been overtaken by other developments
- Two recommendations relating to Councillor involvement in the procurement process conflict with policies adopted by Council.

It would be a mistake to view Commissioner's Bellamy's recommendations simply as a checklist of things to do.

Some of the recommendations do make up a list of tasks or jobs to be completed. Others describe behaviour and expectations that the public have for those entrusted with governing and managing their City. Taken together these form a powerful charter of expectations that we have woven into the codes of conduct, policies and protocols that we have put in place.

The work on some of the recommendations will be ongoing. Building an ethical culture is continuous work, and although we have taken various steps to strengthen administrative and political processes, the care and feeding of them is enduring.

Ethics

Staff Conduct

In her report the Commissioner focuses on the need for nurturing a culture of integrity and accountability within the Toronto Public Service. She describes a public service in which each employee understands the core values and standards of the public service as well as the policies which are explicit about what is and is not expected of staff.

The challenge of ensuring that all employees understand and practice the values and policies of the Toronto Public Service is well underway:

- Each of the City's three Deputy City Managers has appointed a general manager to act as an ethics lead for the divisions reporting to them. The ethics leads are responsible for:
 - Championing discussions about ethics among staff
 - Supporting divisional strategies for ensuring all employees understand what is expected of them
 - Refining and updating the City's staff conduct policies and developing an integrated code.
 - Refining and improving on our base documents to ensure that they align with existing policies and practices.
- More than 250 members of the extended senior management team attended a session on ethical decision-making to identify (a) the most common types of ethical dilemmas faced by staff and (b) tools and resources managers need to continue the dialogue about ethical decision-making with all employees
- More than 200 management and professional staff participated in workshops on building a values-based/ethical workplace. The workshops were led by a respected author on public service values and a University of Western Ontario law professor.
- By October 2006 the City will have a simple, plain language document which integrates the TPS mission, values and key policies. The document will make it easy for staff to reference explicit policies and will be a foundation piece for future divisional training and staff orientation.
- Seneca College has been retained to develop and deliver a 1-day workshop for 250 senior management staff on ethical decision-making. The course design and other training materials will be used to train employees throughout the organization.

KEY RECOMMENDATIONS

- Strengthen codes of conduct for staff and council
- Extend the Members' Code of Conduct to political staff
- Establish an integrity commissioner with sufficient powers of investigation and independence
- Expand rules about conflicts of interest to include real *and* apparent conflicts
- Promote, reinforce and train people in their ethical obligations
- Prohibit gifts by lobbyists and register all other gifts to staff and Councillors
- Improve relations among and between staff and Councillors
- Make sure businesses who deal with City understand the ethical dimensions of their dealings with the City

Councillors Conduct

Councillors are already bound by the provisions of the Municipal Conflict of Interest Act. It requires Councillors to declare real conflicts of interest and refrain from participating in the debate or vote on any matters in which they, their parents, children or spouses have a pecuniary interest.

For her part, Commissioner Bellamy recommended a higher standard for the City of Toronto, setting out her vision for a code of conduct that would extend to real and apparent conflicts of interest and to the interests of siblings, friends and associates of Councillors.

We have a Members' Code of Conduct. It was adopted in 1999 and it has formed the basis for the Integrity Commissioner's advice to Councillors on their conduct. It is the standard by which complaints are investigated. Under the City of Toronto Act, 2006, a Members' Code of Conduct is a requirement.

Drawing on his experience to date, and the recommendations contained in this section of the Inquiry's report, the Integrity Commissioner has proposed amendments to the Members' Code of Conduct. These proposals were reviewed by the five-member Bellamy Recommendations Steering Committee set up by Council in 2005 and will be before Council in September 2006. If adopted, these amendments will bring the Members' Code into line with the ethical standards and values set out by the Commissioner in her report.

Commissioner Bellamy has made several suggestions about the conduct of former Councillors and staff. In Recommendation No. (110), she recommends people who leave the City not be eligible to lobby for at least 12 months afterwards. This is being proposed in the lobbyit control framework.

However, she make three related recommendations which are more difficult for the City to enforce. In Recommendation No. (28) she suggests people do not promote themselves as having otherwise unavailable access to City information or decision making after they have left the City. She further recommended a lifetime ban on lobbying on those specific matters they worked on while at the City. Lastly in Recommendation No. (29) she recommends no former Councillor or staff member accept employment in areas that they worked on at the City. While this may be good advice for individuals to consider, the City cannot regulate the behaviour of departed Councillors or staff members (with the exception of severance agreements with staff, and then only for the duration of the severance agreement).

Integrity Commissioner

City Council appointed former Queen's University Law Professor David Mullan as Integrity Commissioner in September 2004. His function is to advise Councillors on their obligations under the Members' Code of Conduct and to investigate complaints about breaches of the Code. When he was appointed, we did not have the legislative authority to give him the investigative powers recommended by Commissioner Bellamy.

With the passage of the City of Toronto Act, 2006, we will be able to confer broader powers of investigation, exemption from certain provisions of MFFIPPA and immunity from criminal and civil litigation needed to make the position more effective. Once the Act is proclaimed, we will be bringing forward by-laws that enshrine the independence of the Integrity Commissioner in the Toronto Municipal Code.

However, the City of Toronto Act, 2006 falls short of authorizing the broad range of sanctions envisioned by Commissioner Bellamy. She recommended that the Integrity Commissioner be given the power to recommend sanctions from a wide range of penalties including public reprimands, public apologies, expulsion from one or more committee meetings, removal from committee posts or committee chair positions, expulsion from one or more Council meetings, or, at the high end of the spectrum, a fine or declaration of a vacancy in the councillor's seat. Under the City of Toronto Act, 2006 however, only two sanctions are permitted by law: either a reprimand or suspension of a Councillor's pay for up to 90 days.

Implicit in Commissioner Bellamy's recommendations is a role for the Integrity Commissioner in advising on and investigating breaches of conduct by both Councillors and staff. To date the Integrity Commissioner's role is limited to Councillors.

We have started the planning for the establishment of a City Ombudsman as required by the City of Toronto Act, 2006, a requirement that was introduced after Commissioner Bellamy reported. Under the legislation, the Ombudsman will have the powers to investigate any action, decision, or failure to act in the administration of the City. Since the Ombudsman will have the statutory powers to investigate actions by City staff, including

complaints about ethical misdeeds, we plan to confine jurisdiction of the Integrity Commissioner to matters affecting Councillors.

Commissioner Bellamy also recommended that the Integrity Commissioner's role be expanded to include the review of personal finances of a Councillor, at their request, to determine if a conflict exists. We have not started the policy and legal review of this issue yet, but will examine this in 2007.

Gifts

Commissioner Bellamy makes several recommendations about the acceptance of gifts, including gifts of entertainment.

We have established policies for staff that prohibit the acceptance of anything except for tokens of nominal value such as coffee mugs, letter openers or other items under \$25 in value.

The current Members' Code and the Integrity Commissioner's proposals for revision each ban gifts and benefits with exceptions. Under the proposed revisions, the list of exceptions will be fewer or narrower and, with the exception of legally permissible political contributions, not applicable to lobbyists. Even if a gift or benefit is permitted, it will be subject to reporting obligations above \$300 and an upper annual limit of \$500. (The monetary limits apply to single gifts or benefits or on a cumulative annual basis to gifts or benefits from any one source.)

Commissioner Bellamy proposed a prohibition on any gifts from lobbyists to staff or Councillors. In addition to the Members' Code changes, we have included such a ban in the proposed lobbyist code of conduct we have submitted to Council for consideration, and we will update the staff policy accordingly. While it was strongly advocated by the Commissioner, we do not have the legal powers to ban campaign contributions by lobbyists.

Contractors and Consultants

We have reviewed and updated where necessary our policies and practices when dealing with contractors and consultants so that we can be consistent with the Commissioner's advice. We make contractors and consultants aware of the City's procurement by-laws, policies and procedures. We include the conflict of interest policy, anti-collusion policies, fair wage policies, prohibitions of gratuities and contract termination provisions in call documents. We also highlight the importance of confidentiality and how to address questions during the procurement 'black out' period.

Governance

City Council has taken a number of important steps to address governance. In July 2005 City Council appointed the Governing Toronto Advisory Panel, chaired by Centennial College President Ann Buller to review the City's governance system and make recommendations in anticipation of both Commissioner Bellamy's recommendations and the new City of Toronto Act.

The Panel's report echoed many of Commissioner Bellamy's recommendations, including changes that would allow for the delegation of more routine and managerial issues to community councils or staff and the increased emphasis on the most pressing policy issues facing the City. The Panel also endorsed Commissioner Bellamy's recommendations calling for greater respect and civility in the conduct of Councillors and staff.

City Council adopted the Panel's recommendations in principle, and asked the City Manager to consult further with the public and prepare an implementation plan for the coming term. That plan was considered in June 2006 and changes were adopted.

Several of the adopted proposals directly address Commissioner Bellamy's recommendations:

- Reduction of Council and Committee workload by increased delegation and flattening of the committee structure
- Delegation of routine, local matters to community councils.
- Adoption of an Executive Committee chaired by the Mayor and including standing committee chairs to improve policy coordination and leadership
- Direction to the City Clerk to develop proposals for more flexible meeting schedules that better accommodate the work of Council
- Creation of a Speaker to chair Council meetings and improve deliberation and conduct.

Commissioner Bellamy recommended that beyond the City Manager and the handful of officials reporting directly to Council, the Mayor and Councillors should have no influence in hiring decisions in the public service. Council has approved new rules recommended by the Integrity Commissioner to limit Councillor intervention and the provision of references for such appointments.

Commissioner Bellamy recommended that staff keep Council fully apprised on budgetary matters. The City's current reporting system has improved continuously since amalgamation and is aimed at supporting Council in its financial stewardship role. The system is based on the following pillars:

- Council approves the capital and operating budget as part of a detailed process involving Council committees
- In-year changes to the budget are reported to Council for approval

KEY RECOMMENDATIONS:

Council and Committees

- Find ways to reduce Council workload, delegate more and concentrate on policy
- Enhance Council's role as a deliberative leadership body
- Enhance the openness of meetings
- Prevent breaches of confidential information
- Reduce the number of special and ad hoc committees
- Tailor the meeting schedule to the work flow

Relations between staff and councillors

- Improve the climate of respect and civility at City Hall
- Limit the role of Councillors in hiring processes
- Ensure staff serve Council neutrally
- Give staff more latitude to speak at meetings

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- Material transfers of budgets between projects or programs are also reported to Council for approval
 - The comparison of budgets to actual revenues and spending is the subject of quarterly variance reports submitted to Council.

The use of email figured prominently in testimony before the Inquiry. The City has updated policies in place for the use of email and the acceptable use of information technology resources and has been taking steps to ensure that new and existing staff are aware of the rules.

An annual report by the Mayor to the public was recommended. In response to this recommendation Mayor Miller undertook to report to residents on the progress City Council has made on the nine term priorities as approved in July 2004 shortly after taking office. This report takes the form of a website and can be found at www.toronto.ca/greatcity.

One area of Commissioner Bellamy's report that deserves more attention in the coming months is the relationship between staff and Council. A starting point is to build a shared vision for the City on the part of staff and Council. Accordingly, we will be looking for more opportunities to bring Councillors and staff together to explore shared priorities for the City, mutual expectations and clarification of roles and responsibilities.

Lobbying

Commissioner Bellamy made 32 recommendations about lobbying. We are making significant progress in implementing them, helped by new powers in the recently passed City of Toronto Act, 2006. If Council approves proposals that are currently under development almost all of the recommended measures can in place in by January 2008.

Since Commissioner Bellamy reported, the Provincial government has introduced and passed the City of Toronto Act, 2006. The Act requires the City to establish a registry for people who are paid to lobby public office holders and gives it powers to determine the format for the registry, to appoint a lobbyist registrar with broad powers of investigation and to establish a code of conduct for lobbyists.

Commissioner Bellamy said the City should treat lobbying as a potentially helpful practice that should be carefully controlled. As a result, we have been developing a lobbying control framework and by-law in consultation with the five-member Bellamy Recommendations Steering Committee established by Council.

A policy framework for the lobbyist registry and the lobbyists' code of conduct which incorporate the main features recommended by Commissioner Bellamy have been recommended for Council consideration. Under the proposed framework, the City will appoint a lobbyist registrar and establish a lobbyist registry. All persons who lobby public office holders for pay will be required to register in advance. The City will also establish a lobbyists' code of conduct that will set out rules and expectations for ethical lobbying. There will be a ban on arrangements where lobbyists are paid depending on a successful outcome of their activity, and a ban on lobbying at charitable events. There will be penalties, including proposed fines of up to \$25,000 for lobbying without registering and for breaches of the lobbyists' code of conduct.

Once Council approves the lobbyist control framework work can begin setting up the lobbyist registry and appointing a lobbyist registrar. We are targeting to hire the lobbyist registrar early in 2007 and have the registry, complaint system and enforcement mechanisms fully in place by the end of the year.

Commissioner Bellamy recommended there be a review of lobbying policies after three years and then again every five years. We agree with the value of reviewing these policies. The lobbyist registrar will be responsible for bringing forward suggested improvements as the need arises and, at a minimum, there will be at least one review and/or report on improvements during the upcoming term.

Key RECOMMENDATIONS:

Lobbyist Conduct

- Establish a code of conduct for lobbyists
- Councillors and staff should not accept any benefits from lobbyists
- Ban lobbying during a procurement process
- Lobbyists should not work for competing interests without written permission from both
- Lobbyists should not misrepresent themselves to the people they are trying to influence
- There should be a clear distinction between lobbying and charitable events
- Prohibit lobbying by former Councillors and staff for one year after leaving City Hall
- Ban contingency fees for successful outcomes of lobbying activity
- Lobbyists should not fundraise for municipal candidates beyond their own personal donations
- Council and staff should not recommend a lobbyist to anyone.

Lobbyist Registry

- Establish and maintain a lobbyist registry for paid lobbyists
- Require information to be filed to appropriately disclose lobbying activity
- Ban lobbying without registration
- Appoint a lobbyist registrar to maintain the registry, educate staff and councillors and prepare an annual report
- Make the registry simple and publicly accessible
- Provide sanctions for failure to register as required

Commissioner Bellamy recommended that there be a lifetime ban on former staff and councillors from lobbying on any file they worked on during their time at the City. While we are proposing to implement Recommendation No. (110) imposing a one year cooling-off period for former senior staff and Councillors lobbying on any matter, we are concerned that a lifetime ban may be difficult to enforce.

The City of Toronto Act, 2006, does not provide the City with the power to ban lobbyists from fundraising for candidates or Councillors who they also lobby, as proposed in Recommendation No. (113) and (120). We also propose that the lobbyist registrar be directly accountable to Council, rather than reporting to the Integrity Commissioner as contemplated by the Bellamy Inquiry, which makes Recommendation No. (126) redundant.

Accordingly, we are not including these provisions in the lobby control framework.

Procurement

Commissioner Bellamy made 111 recommendations about procurement, divided into three phases of the process:

- 75 recommendations concern the activity before a procurement process
- 24 recommendations deal with the activity during the process itself
- 12 recommendations address activity after a procurement process

We have made significant progress in implementing these recommendations. Nearly three quarters have been implemented or reflect policies already in place.

At the same time, we have also made changes to the procurement process recommended by the Auditor General. He made 43 recommendations for improvement under the April 2003 Procurement Process Review. Of the Auditor General's recommendations we have now fully or partially addressed 37 of them.

The AG's recommendations were largely aimed at improving internal controls and the level of service provided by the City's Purchasing and Materials Management Division (PMMD). Many of the recommendations complement those of Commissioner Bellamy.

We will continue to work on the implementation of both sets of recommendations and anticipate that these recommendations will be fully implemented by the end of next year.

Our priority has been on enhancing the procurement process, particularly for large complex procurement projects, by focusing on the following:

- Revising and clarifying procedures, roles and responsibilities, developing checklists and call document templates
- Clarifying Council's role in the procurement process and complaint process
- Educating departments on the procurement process and procurement planning
- Clarifying and emphasizing the role of Legal Services in the process and in contract development and execution
- Emphasizing the role of the Chief Purchasing Official.

Council adopted the Procurement Process Policy in July 2004 to protect the interests of the City, the public and persons participating in the procurement process. The policy reinforces fairness, openness, transparency and integrity by adopting consistent and standard approaches for:

- Selecting the appropriate type of procurement process to be used
- Communicating with vendors throughout the process
- Public opening of bids
- Identifying and dealing with common irregularities in bids
- Evaluating proposals
- Dealing with vendor complaints
- Providing unsuccessful vendors with feedback
- Maintaining records on vendor performance under contracts.

This policy supports the effective, objective, fair, open, transparent, accountable and efficient procurement processes through the solicitation of multiple bids, proposals and direct negotiation. It addresses many of the

areas Commissioner Bellamy identified in her recommendations and affects all phases of the procurement process – before, during and after. Procedures have also been developed and implemented that address the roles and responsibilities for preparing, issuing call documents, filing, opening and evaluating bids.

One focus of Commissioner Bellamy's recommendations was on staff training. A training plan for purchasing staff has been prepared and been implemented. In 2005/2006 purchasing staff completed courses on the principles of buying, communication skills, customer service, contract management, lessons in leadership and self assessment. The implementation of new policies includes a training component for both purchasing division and other City staff. The procurement manual is available on the City's intranet site to all City staff with new policies and procedures being added regularly.

The Commissioner recommended that City purchasing staff should continue to develop their skills and knowledge of the marketplace. Purchasing staff participate regularly in a number of purchasing forums such as the GTA Purchasing Group, Universities Purchasing Group and GIPPER (Governments Incorporating Procurement Policies to Eliminate Refuse).

Commissioner Bellamy also recommended actions the City should take to achieve openness in the procurement process including mandatory tendering for significant purchases. Currently, there are a number of competitive tendering processes used by the City which account for the majority of its purchases over \$7,500. These include Calls for Pre-Qualification, Call for Expression of Interest, Call for Tenders, Call for Quotations and Call for Proposals. Clear policies and procedures are in place for non-competitive (sole source) procurements and these types of purchases are reported annually to Council.

Bidders are made aware of the issuance of Calls by way of the City's website and emailed to those firms on the bidders list, which consists of companies who have indicated an interest in doing business with the City. A suppliers briefing document explaining the City's procurement process is available to all bidders, including those attending supplier seminars convened by purchasing staff. In 2007, we plan to make bids downloadable from the City's website for a fee. With the exception of informal calls for quotations (under \$50,000) we open all bids in public. All changes to purchasing policy are approved by Committee and Council in open meetings.

We are now using fairness monitors, consultants or commissioners for those procurement processes identified as major, high-risk, controversial or complex, as recommended by Commissioner Bellamy.

Project management, teamwork and expertise were also an area of focus for Commissioner Bellamy. We have made City staff more aware of the benefits of a project management approach for major procurements, including the importance of upfront planning and having the right staff participate in the process. We have successfully used this approach with large procurements such as the computer replacement program, setting up of the 3-1-1 program and the commissioning of new street furniture.

We have put tools in place to assist City staff with this approach: these include a project management intranet site which provides a template for a project charter and pre-procurement checklists for both RFPs and RFQs. Staff are beginning to involve legal staff earlier in the process and we expect this will continue.

Naturally, leasing was a major topic for Commissioner Bellamy. Council approved new goals and policies for lease financing in 2004. These include policies on disclosure the requirement for the performance of due diligence reviews. Now, when making decisions about the financing of a capital asset, Council must be satisfied that the lowest cost alternative is utilized from a total cost-of-ownership view. Any decision to enter into a financing lease is to be based on a detailed net present value and cost/benefit evaluation of the lease proposal relative ownership and capital financing alternatives. This applies to all leases entered into by the City as well as those entered into by the City's agencies, boards and commissions.

In Recommendation No. (192) Commissioner Bellamy recommended that the City's specifications should include a cost range to assist vendors in tailoring their bids. This is contrary to existing City policy and a previous recommendation of the Auditor General. The City's current policy on Actual Project Budget Related to RFP Documents specifically prohibits the disclosure of project budgets. This issue has been reviewed with

members of the vendor community, specifically those in consulting and professional services (architects, engineers, landscape architects and planners). A report on this issue is to be forwarded to the September 2006 Administration Committee meeting recommending that the existing policy be repealed and that guidelines for appropriately disclosing the budget be developed.

There are several recommendations made by Commissioner Bellamy that either conflict with existing City policy or are not practical or appropriate to implement.

In Recommendations 130 and 131, Commissioner Bellamy recommended that Councillors should separate themselves from the procurement process and that Councillors should not have access to any information or documentation about a procurement process while it is underway.

However, in July 2005 City Council approved the Councillor Access to Procurement Information Policy. This policy allows individual Councillors access, on a confidential basis, to procurement documents before they are publicly issued and to the evaluation results after they have been received. The policy requires that Purchasing and Materials Management Division staff report to Council on which Councillors have accessed procurement documents and which documents they have accessed.

Also, the policy encourages staff to obtain Committee and Council direction on terms of reference and selection criteria for complex and sensitive procurements. Staff is under clear direction to not take the direction of an individual Councillor on a procurement. Direction can only be given by Council as a whole.

In Recommendation No. (214), Commissioner Bellamy proposed that for major procurements, the City's evaluation committee should be a group that is representative of all areas affected by the procurement. To ensure fairness, she recommends that no one involved in the pre-procurement phase or the bidding process should be involved in evaluating the bids. This would be difficult to implement given that for major RFPs, a number of individuals will have a role in either crafting or approving the RFP document (i.e. all of the individuals affected by the procurement as recommended). The expertise required in preparing the RFP is also required for evaluating the responses. Therefore, to offset the concern of impartiality on large RFPs, the City engages a fairness commissioner to ensure that both the development of the RFP and the evaluation of the responses is conducted fairly.

Recommendation No. (220) calls for special effort to be made to ensure that rapid tenders for City procurements are public. The City's informal under-\$50,000 quote process does not contemplate public disclosure in advance as it adds to the timelines to receive quotes thereby negating the opportunity to quickly procure goods and services. The bidders list, which is updated annually, is used to invite bids.

Bellamy Inquiry Progress Report

Appendix

Summary of Recommendations and Status
as of September 12, 2006

Recommendation	Status	Completed/ Target	
1. The City should expand its current code of conduct for councillors and its conflict of interest policy for staff to include broader ethical considerations.	In Progress	2007	<p>Revisions to the Members' Code of Conduct on the recommendation of the Integrity Commissioner are being considered separately by Council at its September 2006 meeting.</p> <p>There are a range of policies and protocols governing staff conduct. These are currently being reviewed for integration into a single code for staff.</p>
2. The codes of conduct should go beyond the minimum standards of behaviour and set out the highest ideals and values toward which all public servants should be working.	In Progress		The proposals now before Council for a revised Members' Code of Conduct have been drafted with this objective in mind and contain both new and revised provisions reflecting the aspirations of this recommendation
3. The codes of conduct should be written in plain language that can be understood by all public servants as well as by the public.	In Progress		The Codes of Conduct will use plain language.
4. The codes of conduct should reflect the difference in the roles of councillors and staff without setting different ethical standards.	In Progress	Early 2007	A code that integrates existing staff conduct rules and policies is under development and will be premised on this recommendation.
5. Political staff should be required to adhere to the same ethical guidelines that apply to councillors and City staff. Councillors should have their staff execute an agreement to abide by the City's codes of conduct.	In Progress	September 2006	Recommendations from the Integrity Commissioner currently before Council will, if adopted, extend the Members' Code of Conduct to political staff.
6. The City's hiring processes should include appropriate questions designed to elicit some perspective on the ethics of applicants. Applicants' responses to the ethics questions should then be considered prominently in hiring decisions.	In progress	Ongoing	Human Resources staff have developed questions to test for ethics as part of City hiring processes and these are starting to be used.
7. New City employees should receive immediate training on the ethical dimensions of their particular work.	In Progress	2007	Ethics training has been integrated into the staff orientation of several divisions on a pilot basis and will be evaluated for roll out to remaining divisions.

Recommendation	Status	Completed/ Target	
8. Training on codes of conduct should be mandatory for all City staff and councillors.	In Progress	2007	<p>The City Manager's Office, in consultation with the Integrity Commissioner and the Director of Corporate Access and Privacy, is in the process of developing an educational programme for members of Council to take place after the 2006 elections. It will be recommending to Council that it be mandatory for both new members and re-elected incumbents.</p> <p>Seneca College has been retained to help the City pilot an ethics training program in select division for later roll out to remaining divisions.</p>
9. The City's internal newsletter, Inside Toronto, should feature a regular column on ethics and a question-and-answer section where ethical concerns from staff are addressed anonymously.	Completed	2005	An ethics feature has been appearing regularly since fall 2005.
10. Subject to collective bargaining restraints, all staff and councillors should be required to sign an annual declaration that they are aware of the codes of conduct, are versed in them, and will uphold them.	In Progress	November 2006	This is already a requirement for non-union staff. Sign off by Councillors will be incorporated into the orientation of Councillors following the 2006 election.
11. Staff and councillors should meet regularly with their co-workers or colleagues to discuss work-related ethical issues.	Completed		Over 200 professional and management staff have attended special workshops on values and ethics. More than 250 Executive staff have discussed needs and strategies for encouraging values and ethics.
12. Staff and councillors should be encouraged to discuss ethical issues that arise from time to time with peers, managers, or the integrity commissioner.	Completed		<p>There is no formal program to encourage the discussion of ethical issues.</p> <p>Members can already seek the guidance of the Integrity Commissioner, except when that guidance constitutes legal advice on individual circumstances covered by the Municipal Conflict of Interest Act.</p> <p>The scope of the Integrity Commissioner does not include staff at present, so staff are not able to seek his guidance.</p>

Recommendation	Status	Completed/ Target	
13. The City's codes of conduct should be monitored vigilantly to ensure that they provide appropriate guidance. Change should be made promptly when necessary.	Policy in place	Ongoing	<p>The Integrity Commissioner is responsible for interpreting the Members' Code of Conduct and has the responsibility for recommending changes or improvements. An example of such recommendations are currently before Council.</p> <p>Staff policies are reviewed on an ongoing basis and changes are approved by the City Manager on the recommendation of the Executive Director of Human Resources.</p>
14. The City should promote awareness of the codes among all councillors and staff and provide guidance in complying with the codes.	In Progress	2007	<p>The Integrity Commissioner regularly provides guidance to members of Council with respect to their responsibilities under the Members' Code of Conduct. He also interacts frequently with staff who have front line responsibilities for adherence by Members of Council to particular provisions in the Members' Code of Conduct. The Integrity Commissioner's website has an FAQ feature to assist members of Council in understanding the Members' Code of Conduct and their responsibilities under it.</p> <p>Staff conduct policies are profiled on the City's intranet. Conflict of interest policies are discussed with excluded staff as part of the annual performance development process. Additional methods are under review for later implementation.</p>
15. Both elected officials and staff should understand and honour their respective roles and responsibilities, act only within them, and never blur the distinction.	Completed	2005	<p>This value has been incorporated into both the Members' Code of Conduct and staff conduct policies and protocols.</p>
16. The Mayor in Council meetings, a committee chair, or anyone else in a formal or informal leadership role should immediately intervene in instances of uncivil behaviour and politely remind the person responsible of his or her duty to be civil.	Completed	July 2006	<p>Council has approved new procedural rules in July 2006 that reinforce the expectation of civility in meetings, and give the presiding officer in a committee or Council meeting with the power to expel a person from the chamber or meeting room. In addition, City Council has decided to elect a Speaker for City Council meetings from among its membership, in part to ensure there is consistency in rulings.</p>
17. Councillors should not ask staff to perform personal services for them.	Policy in place	Already in place	<p>This expectation is set out in the Members' Code of Conduct.</p>

Recommendation	Status	Completed/ Target	
18. Councillors should not attempt to influence staff behaviour by direct or indirect coercion of any kind, including intimidation, bullying, or alluding to future promotion or employment prospects.	Completed	Already in place	Although the Members' Code of Conduct has address Councillor conduct with respect to staff since it was adopted in 1999, proposed amendments to the Code currently before Council contain specific reference to the behaviour listed in this recommendation.
19. Councillors should not ask staff to engage in partisan political activities for them.	Policy in place	Already in place	The City already has existing policies in place to address this recommendation. For staff the policy on involvement in election campaigns prohibits staff from using their time or City resources for campaign activities. It also curtails the involvement of senior City staff in municipal campaigns in their non-work time. For Councillors, the policy on the use of City resources for election campaigns prohibits the use of City staff or other resources.
20. Rules about conflicts of interest and apparent conflicts of interest should form part of the City's codes of conduct.	In Progress	September 2006	<p>The staff conflict of interest policy addresses both real and apparent conflict of interest.</p> <p>That portion of Members' Conduct that is governed by the Municipal Conflict of Interest Act deals with direct and indirect pecuniary conflicts of interest and the Integrity Commissioner's proposals currently before Council address other types of conflicts of interest and also apparent conflicts of interest.</p>
21. Councillors and staff should be made aware that it is unacceptable for them to act on a matter in which they have either a real or an apparent conflict of interest.	In Progress		See Recommendations No. (20)
22. Councillors and staff should take steps to avoid as best they can both real and apparent conflicts of interest. For assistance, they should seek the guidance of the office of the integrity commissioner.	Completed	Already in place	<p>Members can already seek the guidance of the Integrity Commissioner, except when that guidance constitutes legal advice on individual circumstances covered by the Municipal Conflict of Interest Act.</p> <p>Scope of the Integrity Commissioner does not include staff at present, so staff are not able to seek his guidance. Instead, staff are counselled to seek guidance of their supervisors.</p>

Recommendation	Status	Completed/ Target	
23. Councillors and staff should not use their positions to further their private interests.	Policy in place	Already in place	<p>This is reflected in the preamble of the current Members' Code of Conduct. The Integrity Commissioner has proposed strengthening this by creating a specific Article in the code addressing this recommendation.</p> <p>This is also set out in the policy statement contained in the staff Conflict of Interest Policy.</p>
24. Councillors and staff should not concurrently accept employment by an outside interest that is either incompatible with or in conflict with their official duties.	In Progress	September 2006	<p>The City does not have the legal authority to limit the employment relationships into which a Councillor may or may not enter. Members who have real conflicts of interest are required to declare them and refrain from voting on applicable matters under the Municipal Conflict of Interest Act. Further, under proposed amendments to the Members' Code of Conduct currently before Council, the requirement to declare a conflict is expanded to include apparent conflicts of interest.</p> <p>The staff Conflict of Interest policy provides that employees may not engage in any outside work or business activity:</p> <ul style="list-style-type: none"> (1) that conflict with their duties as city employees; (2) which use their knowledge of confidential plans, projects or information about holdings of the corporation; and (3) that will, or is likely to, negatively influence or affect them in carrying out their duties as city employees. <p>See also: Recommendation No. (31)</p>
25. Councillors and staff should not ask other City employees to perform work that is unrelated to City business during office hours.	Completed	Already in place	<p>Both the Members' Code of Conduct and staff conduct policies address this.</p>

Recommendation	Status	Completed/ Target	
26. Councillors and staff should not divulge confidential information to those not entitled to it.	Policy in place	Already in place	<p>There are a number of laws, policies and procedures in place to safeguard the release of confidential information.</p> <p>All staff are governed by the Municipal Freedom of Information and Protection of Personal Privacy Act (MFIPPA) and the Public Health Information Protection Act (PHIPA). These Acts set out the rules of the protection of confidential information and the circumstances under which they may be released.</p> <p>The City's conflict of interest policy prohibits the disclosure of confidential or privileged information about the property, or affairs of the organization, however makes an exception for making allegations of wrong-doing. The Members' Code of Conduct has a confidentiality provision.</p>
27. Councillors and staff should not access confidential information if not required to do so for work purposes.	Completed	Already in place	<p>The City already takes numerous steps to ensure that confidential information is only accessible to those who need it. For example, uses a variety of security and permissions for access to electronic data and paper records (e.g., network permissions, physical access restrictions).</p> <p>The City limits the distribution of confidential information contained in committee business by limiting the distribution of the information to select officials. Further refinements to these procedures will be before Council in September 2006.</p> <p>Staff are assisted in the development of systems to manage confidential information by the Director of Internal Audit and by the Director of Corporate Access and Privacy. The management of confidential information is subject to periodic review by the Auditor General.</p>
28. Recently departed City employees should not promote themselves as having otherwise unavailable access to City information, processes, or decision-makers.	No action planned		<p>The City is limited in its ability to control the behaviour of departed employees. One exception is under a severance agreement, and then only for the duration of that agreement.</p> <p>See also with Recommendation No. (29), (110) and (111).</p>

Recommendation	Status	Completed/ Target	
29. Former councillors and City staff should not accept employment in which they would be dealing with matters or files that they worked on while at the City.	No Action Planned		The City is limited in its ability to control the behaviour of departed employees. One exception is under a severance agreement, and then only for the duration of that agreement.
30. Elected officials and staff should take all necessary steps to avoid preferential treatment or the appearance of preferential treatment for friends or family.	Completed	Already in place	Both the Members' Code of Conduct and staff conflict of interest policies contain provisions that reflect this recommendation.
31. Councillors should not vote on any issue at Council or committee that puts them in a real or apparent conflict with their personal finances. They should declare their conflict and recuse themselves.	In progress	September 2006	<p>Under the Municipal Conflict of Interest Act, Councillors are already required to declare their interest and recuse themselves from matters that involve a direct and indirect pecuniary conflicts of interest. The Integrity Commissioner's proposals currently before Council address other types of conflicts of interest and also apparent conflicts of interest.</p> <p>See also: Recommendation No. (24)</p>
32. Councillors should recuse themselves from matters that pose a real or apparent conflict with the finances of their spouse, parents, or siblings.	In Progress	September 2006	<p>The conflict provisions of the MCI Act apply to the financial interests of the Member, their spouse and parents, as well as their children. The Act does not extend the provisions to the siblings of members.</p> <p>The proposed amendments to the Members' Code of Conduct currently before Council would require Councillors to consider declarations of an interest on matters affecting their family (beyond parents, spouse and children), friends or associates.</p>
33. Staff should refrain from any involvement in analysis or decision making on an issue in which they have a real or apparent conflict of interest. Conflicts or apparent conflicts should be disclosed to or discussed with the staff member's supervisor.	Completed	Already in place	The staff conflict of interest policy contains provisions that reflect this recommendation.
34. A full-time integrity or ethics commissioner should be hired.	Completed	September 2004	City Council appointed an Integrity Commissioner in September 2004. The City sought and has received statutory powers for the Integrity Commissioner under the City of Toronto Act, 2006.

Recommendation	Status	Completed/ Target	
<p>35. To ensure that the integrity commissioner has the independence necessary for the job, he or she should report directly to Council, not the Mayor. He or she should serve for a fixed term and should be removable only by a two-thirds vote in Council.</p>	In Progress	Early 2007	<p>The Integrity Commissioner already reports directly to Council. This relationship is made clear in changes to Council procedures approved by City Council in June 2006.</p> <p>The City Manager will bring proposals before Council to add the Integrity Commissioner to the Toronto Municipal Code, Chapter 160 - City Officials following proclamation of the statutory provisions of the City of Toronto Act, 2006 empowering the Integrity Commissioner and will include proposals for the term and removal of Integrity Commissioner in keeping with this recommendation.</p>
<p>36. Senior management should investigate, in consultation with the integrity commissioner, the feasibility of establishing "divisional ethics coordinators." These would be point persons in the various City departments to whom staff could turn for department-specific, confidential ethical advice. They would supplement the work of the integrity commissioner locally in the various departments and on the front lines of service delivery.</p>	Completed	May 2006	<p>Ethics leads for each of the deputy city managers' portfolios have been appointed to further develop ethics training and guidance.</p>
<p>37. The City should encourage staff and councillors to consult the integrity commissioner when necessary.</p>	Completed	2004	<p>Members can already seek the guidance of the Integrity Commissioner, except when that guidance constitutes legal advice on individual circumstances covered by the Municipal Conflict of Interest Act.</p> <p>The scope of the Integrity Commissioner does not include staff at present, so staff are not encouraged to seek his guidance.</p>

Recommendation	Status	Completed/ Target	
38. The integrity commissioner should offer his or her opinions to all members of Council and staff who request it. These opinions should be given in the strictest confidence. However, if a councillor or staff member makes public part of a commissioner's report on a matter, the integrity commissioner should be free to make all of it public in response.	Completed		<p>The Integrity Commissioner already offers opinion to all Members of Council on request. A notable exception is that the Integrity Commissioner does not give legal advice to Members on particular situations governed by the Municipal Conflict of Interest Act; Members are required to seek their own independent legal advice in these situations.</p> <p>The scope of the Integrity Commissioner does not currently include staff, so the Integrity Commissioner has not been given the authority to give opinions to staff on their own conduct or ethical dilemmas.</p> <p>When the City of Toronto Act, 2006 comes into force, the Integrity Commissioner will have the authority to release information he deems necessary. Until now, the Integrity Commissioner has been constrained by the Municipal Freedom of Information and Protection of Personal Privacy Act.</p>
39. Council should consider expanding the role of the current integrity commissioner to allow confidential review of the personal finances of councillors, at their request, so that the commissioner can advise them on potential conflicts of interest.	For future action	2007	Council direction on this recommendation will be sought in 2007.
40. The integrity commissioner should have enough staff to allow councillors and City staff to efficiently seek advice in advance on matters of ethical concern – issues where ethics policies may be violated in letter or spirit.	Completed	September 2004	To date the resources provided to the Integrity Commissioner are adequate for his current volume of work. This is reviewed annually as part of the budget process.
41. Members of the public should be allowed to make complaints to the integrity commissioner. Complaints can be anonymous and need not be in the form of sworn affidavits.	Completed	Partially in place	Members of the public can already make complaints. Although there is currently a requirement for sworn affidavits, the Integrity Commissioner is reviewing this practice based on his experience to date.
42. To preserve the necessary independence of the office of the integrity commissioner, no elected official should pre-filter complaints to that office.	Completed	Already in place	This is the current practice.

Recommendation	Status	Completed/ Target	
<p>43. Councillors and staff should not be allowed to withhold their co-operation from investigations by the integrity commissioner. Sanctions for withholding co-operation should equal the sanctions for ethical breaches, so a clear message is sent that withholding co-operation offers no advantage.</p>	In Progress	On proclamation of the City of Toronto Act, 2006	<p>The City of Toronto Act, 2006 gives the Integrity Commissioner the powers of a commission under Part I and Part II of the Public Inquiries Act, which include the powers to summon evidence and examine under oath. The Act requires the City and its local boards to provide information the Integrity Commissioner and gives him access to all City records.</p> <p>There is no statutory provision for penalties set out in the Act, however the issue of penalties will be addressed in early 2007 when by-laws are introduced to enact the various accountability measures set out in the Act.</p>
<p>44. To guard against misuse for political purposes of the integrity commissioner's complaint process, the commissioner should be free to dismiss frivolous complaints at the outset, publicly identifying them as such, if appropriate. The commissioner should also be able to identify those who launch bad-faith complaints, and recommend to Council that bad-faith complainants reimburse the City for the expenses of the investigation.</p>	Completed	2006	<p>In early 2006, Council approved amendments to the Council Code of Conduct Complaint Protocol that strengthen the protections that members of Council have against frivolous, vexatious and bad faith complaints. There is no current proposal for costs orders against those who make such complaints. However, public identification is a possibility under the Complaint Protocol. The form of affidavit appended to the Complaint Protocol also warns complainants as to the potential civil and criminal consequences of making false or unfounded complaints.</p>
<p>45. The office of the integrity commissioner should have broader investigatory power than it currently has. For example, it should have summons powers.</p>	Completed	On proclamation of the City of Toronto Act, 2006	<p>These powers are provided to the Integrity Commissioner under s. 160 of the City of Toronto Act, 2006.</p>

Recommendation	Status	Completed/ Target	
<p>46. The City should give the integrity commissioner the power to recommend to Council an appropriate range of sanctions for ethical misdeeds by councillors. Sanctions should include public reprimands, public apologies, expulsion from one or more committee meetings, removal from committee posts or committee chair positions, expulsion from one or more Council meetings, or, at the high end of the spectrum, a fine or declaration of a vacancy in the councillor's seat.</p>	In Progress	2007	<p>The City of Toronto Act, 2006 gives Council the power to sanction Members if the Integrity Commissioner advises Council he believes a Member has breached the Code of Conduct. Council may impose either of the following:</p> <ul style="list-style-type: none"> - a reprimand; or - suspension of a Member's pay for up to 90 days. <p>The Integrity Commissioner is also reviewing with the City Solicitor the authority for City Council additional sanctions from the range of options suggested by Commissioner Bellamy.</p> <p>It should be noted however that remedies under the Criminal Code or the Municipal Conflict of Interest Act continue to prevail.</p>
<p>47. The City should give the integrity commissioner the power to recommend to Council an appropriate range of sanctions for ethical misdeeds by staff. These should be closely modelled on sanctions allowable under prevailing labour and employment law. To emphasize the importance of ethics within the organization, ethical misconduct should be regarded as among the most serious misconduct, and the sanctions should include the most serious penalties.</p>	No Action Planned		<p>This recommendation has been overtaken by the passage of the City of Toronto Act, 2006 requiring the City to appoint an Ombudsman to investigate complaints about maladministration of the City. As this new official will have jurisdiction to investigate actions by staff, the Integrity Commissioner's mandate will remain focused on actions by Members.</p>
<p>48. The integrity commissioner should not have powers to impose sanctions directly. Council should rule within a fixed time on the integrity commissioner's recommendations for sanctions.</p>	Completed	On proclamation of the City of Toronto Act, 2006	<p>Although no time period for Council's ruling is specified, this is otherwise reflected in the provisions of the City of Toronto Act, 2006. In addition, the existing Complaint Protocol also obliges the City Clerk to place the Integrity Commissioner's report on a complaint on the agenda of the next meeting of Council.</p>
<p>49. The integrity commissioner should have the mandate and resources to participate actively in the development of ongoing ethical education programs or materials for City staff and councillors. Outreach of this type is an important part of ensuring a strong ethical culture.</p>	Completed	Current practice	<p>The Integrity Commissioner already has the mandate for educational programs for Councillor, but not for staff.</p> <p>The Integrity Commissioner and the Corporate Access and Privacy Office are planning training for Councillors on the Code of Conduct and MFIPPA as part of the orientation of Council following the 2006 election.</p>

Recommendation	Status	Completed/ Target	
50. The integrity commissioner should have a website for education, reference, and outreach purposes. The commissioner's office should also be available to provide advice on ethics training as necessary for both councillors and staff.	Completed	2004	The Integrity Commissioner has established a web site: www.toronto.ca/integrity .
51. An external auditor should periodically review the operations of the office of the integrity commissioner.	For future action		No audit has been completed since the Integrity Commissioner was appointed in 2004.
<p>52. The City should require all organizations with which it does business to adhere to the following principles, at a minimum.</p> <p>(a) Follow commonly accepted business practices. (b) Obey all applicable provincial and federal laws. (c) Adhere to the terms of the contract signed with the City, unless amendments are negotiated. (d) Conduct business with integrity and in accordance with their obligations under specific agreements. (e) Keep detailed and accurate records of all contracts and goods and/or services provided to the City. (f) Refrain from divulging confidential information. (g) Avoid the appearance of conflict. (h) Refrain from conduct contrary to the values of the City. (i) Treat workers with respect and dignity and ensure that workers are not subjected to any form of physical, sexual, psychological, or verbal harassment or abuse. (j) Refrain from engaging in price collusion with other bidders or suppliers. (k) Explain clearly the cost to the City of any bid. (l) Refrain from contacting anyone but the designated contact person during a procurement blackout period.</p>	Completed	Reviewed & updated in 2005	The City's contracts address items (b), c), (e) and (f). The City's procurement documents address items (j) to (l). There are also a number of policies that may be included in the City's call documents that address (g) and (i) – the Conflict of Interest statement in RFPs and RFQs in call documents and the Declaration of Non-Discrimination Policy, Fair Wage, Purchase of Products Manufactured in Factories Where Children Are Used as Slave Labour. For item (a), the terms of the City's contracts represent 'commonly accepted business practices'. Vendors are required to adhere to those terms. There is no 'stand alone' requirement in the contracts for a vendor to adhere to 'commonly accepted business practices'. Items (d) and (h) are difficult to enforce and as such it is recommend that no further action to be taken on these two items.
53. The City should make its codes of conduct available to all current suppliers, to ensure that they are in no doubt about the ethical imperatives involved in doing business with the City.	Completed	September 2000	The City's conflict of interest policy is published on the City's website and provided to each supplier who applies to be placed on the bidders list. Policies are discussed at the supplier seminars.

Recommendation	Status	Completed/ Target	
54. The City should include references or links to its relevant codes of conduct in tender documents, as part of the procurement process, emphasizing that all bidders are expected to learn and abide by those policies.	Completed	Reviewed & updated in 2005	It is the Bidders' responsibility to become familiar and comply with City policies identified in the call documents. The documents also include policies for collusion, fair wage, treating workers fairly, conflict of interest. There is a reference to the website in call documents and a link on the website to these policies."
55. The City should require that all responses to a procurement process include a promise to learn and respect the City's relevant codes of conduct.	Completed	Reviewed & updated in 2005	Call documents require proponents to be familiar and comply with policies, including the relevant codes of conduct. By signing the bid documents, proponents are agreeing to these codes which form part of the terms and conditions.
56. The City should include a term in all procurement documents providing sanctions if a business fails to adhere to the City's relevant codes of conduct.	Completed	Reviewed & updated in 2005	Termination provisions are included in the City's call documents.
57. City staff should not publicly state their views of an organization the City does business with, unless requested to do so by Council or other staff. In carrying out such a request, staff should not endorse or appear to endorse any organization.	For future action	2007	The conflict of interest policy will be updated to address this recommendation.
58. The City should screen for understanding of ethical issues when hiring contractors and consultants and should consider applicants' performance in this area in hiring decisions.	For future action	2007	Conflict of interest policies, which vendors are made aware of, address ethics but to date there has been no screening of vendors to determine level of understanding. Questions will be developed and included in hiring and screening of vendors for this purpose.
59. Consultants and contractors should be informed about the City's codes of conduct before they begin their work for the City and should be required to adhere to the codes as a term of their contract of employment.	Completed	September 2000	Call documents inform bidders of codes of conduct and by signing bid documents they are agreeing to adhere to them.

Recommendation	Status	Completed/ Target	
<p>60. Consultants and contractors should be required to agree to abide by the following ethical requirements in addition to any that apply generally to all suppliers.</p> <p>(a) Disclose any conflict or potential conflict of interest in advance. (b) Provide receipts for reimbursable expenses. (c) Refrain from claiming entertainment expenses involving elected officials or employees of the City. (d) Refrain from billing for work not done. (e) Refrain from giving gifts to municipal employees. (f) Refrain from possessing confidential material not required for the completion of the services for which they contracted. (g) Refrain from divulging confidential information.</p>	In Progress	End of 2007	<p>Items (a), (b), (d), (f) and (g) are addressed in the City's legal agreements with suppliers. For items (c) and (e), there is a "Prohibition Against Gratuities" clause in the RFP and RFQ template. This clause is therefore incorporated into an agreement arising out of an RFP or RFQ. The clause will also be included in the tender documents under revisions of tender document currently underway, and sole source agreements.</p>
<p>61. The City should permit councillors and staff to accept gifts, entertainment, or other benefits of nominal value, except from lobbyists. The definition of nominal value and other criteria for acceptable gifts should be established in consultation with the integrity commissioner.</p>	In Progress	September 2006	<p>The current staff policy allows nominal gifts of a value less than \$25 but does not make the distinction for gifts from lobbyists. This will be addressed in the staff code of conduct under development.</p> <p>The current Members' Code and the Integrity Commissioner's proposals for revision each ban gifts and benefits with exceptions. Under the proposed revisions, the list of exceptions will be fewer or narrower and, with the exception of legally permissible political contributions, not applicable to lobbyists. Even if a gift or benefit is permitted, it will be subject to reporting obligations above \$300 and an upper annual limit of \$500. (The monetary limits apply to single gifts or benefits or on a cumulative annual basis to gifts or benefits from any one source.)</p>
<p>62. Under no circumstances should staff or councillors accept gifts or benefits of any value from lobbyists.</p>	In progress	September 2006	See Recommendation No. (61)
<p>63. City staff should not accept meals paid for by commercial suppliers.</p>	In Progress		<p>The City's conflict of interest policy allows for the "occasional lunch". This will be reviewed as part of the development of a staff code of conduct.</p>

Recommendation	Status	Completed/ Target	
<p>64. On the occasions when work demands that City staff and commercial suppliers eat together off-site, the City should permit its staff to expense the meals. City staff should not be out of pocket personally for a work expense. Allowing these expenses to be submitted also allows their frequency to be monitored, so that work patterns can be adjusted if necessary.</p>	Policy in place	Current practice	<p>Employees are encouraged to conduct the business of the City during business hours in the office. Current policy directs staff to not accept complimentary means from any person or organization that has a business interest with the City. City policy covers expense of meals for City business purposes.</p>
<p>65. This policy should be reviewed after it has been implemented for two years.</p>	For future action		<p>This will be reviewed as recommended.</p>
<p>66. The City should establish a registry for gifts received by staff and councillors. The registry should be run by the integrity commissioner's office.</p>	In Progress	September 2006	<p>If adopted, proposed amendments to the Members' Code of Conduct that are currently before Council would require Councillors to disclose any gift of value greater than \$300, or if the total annual value of gifts from any one source exceeds \$300, to the Integrity Commissioner.</p> <p>Staff are not permitted to accept gifts. The exceptions to this are promotional gifts or those of nominal value e.g., coffee mug or letter opener with the company's logo up to a value of \$25.</p>
<p>67. The gift registry should contain the following details in a searchable database:</p> <p>(a) the name of the individual who received the gift and the capacity in which he or she was serving at the time</p> <p>(b) a description of the gift</p> <p>(c) the person or group who presented it</p> <p>(d) the date on which the gift was received</p> <p>(e) the occasion on which the gift was given</p> <p>(f) the estimated value of the gift, if known</p> <p>(g) a running total of the value of gifts received by staff or councillors from that person or group in the previous twelve months</p> <p>(h) what the individual intends to do with the gift</p> <p>(i) whether the gift should remain with the City if the recipient leaves</p>	In Progress	September 2006	<p>If adopted, proposed amendments to the Members' Code of Conduct that are currently before Council would require Councillors to disclose:</p> <ul style="list-style-type: none"> - the nature of the gift of benefit - the source and date of receipt; and - the circumstance under which it was given or presented. - its estimated value, - what the recipient intends to do with any gift, and - whether any gift will at any point be left with the City <p>The disclosure will be made public, in a form still to be determined.</p>

Recommendation	Status	Completed/ Target	
68. Councillors and staff should be encouraged to consult with the integrity commissioner about the propriety of accepting or continuing to keep any gift of any value.	Completed		<p>The Integrity Commissioner already has the ability to provide this advice, and has to date done so.</p> <p>The Integrity Commissioner's scope does not include staff at present. However, staff are prohibited from accepting gifts, except those of nominal value. Staff are encouraged to consult their direct supervisor about the propriety of accepting gifts of nominal value.</p>
69. The City should have a clear policy on when it is appropriate for councillors and City staff to attend charity events.	In Progress	2007	<p>Policies and guidelines for staff have been put into place.</p> <p>The Integrity Commissioner's recommendations for a revised Members' Code of Conduct contain a provision that regulates more closely the acceptance of hospitality at charity and other events.</p>
70. The City should ask the Province to ban the practice of "bundling" in municipal elections, including bundling through lawyers' trust accounts.	Completed	Current practice	<p>This practice is already prohibited under the Municipal Elections Act.</p>
71. For the Mayor, integrity in government should be a top priority.	Completed	June 2006	<p>The City of Toronto Act, 2006 sets out the role and duties of the Mayor, including a role in providing information and making recommendations to Council with respect to:</p> <ul style="list-style-type: none"> - [ensuring] that administrative policies, practices and procedures and controllership policies, practices and procedures are in place to implement the decisions of council; and - [ensuring] the accountability and transparency of the operations of the City, including the activities of the senior management of the City.

Recommendation	Status	Completed/ Target	
72. Council should urgently address a variety of ways to reduce its workload.	Completed		<p>City Council has approved changes to both its governance system (June 2006) and its meeting procedures (July 2006) that in part address Council workload.</p> <ul style="list-style-type: none"> - It has delegated local, routine matters to community councils to allow City Council meetings to focus on city-wide matters - It has flattened the standing committee structure from 6 to 8 committees, reducing the scope and workload of standing committees - It has directed the City Clerk to develop recommendations for alternative scheduling methods to address timing and sequencing of meetings
73. Council should delegate the administrative, day-to-day operations of the City to staff and concentrate on matters of policy.	In Progress	Early 2007	<p>The City of Toronto Act, 2006 increases Council's authority to delegate powers to committees or to staff and requires Council to adopt policies guiding the delegation of authority. The City Manager, City Clerk and City Solicitor will be reviewing this and reporting to Council in 2007 with proposed policies. These options will address the general principle recommended by Commissioner Bellamy.</p>
74. Council should consider ways to enhance its effectiveness as a deliberative leadership body.	Completed	July 2006	<p>City Council has approved changes to both its governance system (June 2006) and its meeting procedures (July 2006) aimed at improving Council effectiveness.</p>
75. Council should take steps to enhance the openness of Council meetings.	In Progress	Early 2007	<p>The City Clerk will be submitting recommendations for new protocols for the management of confidential information at committees and Council to the September meeting cycle.</p> <p>The City will also take steps to be in compliance with new modified open meeting rules contained in proposed amendments to the City of Toronto Act, 2006 under Bill 130. Among other things, the proposed amendments require the City to appoint an investigator to handle any future complaints about meetings being improperly closed.</p>
76. Breaches of confidentiality are a serious problem and should be eliminated.	In Progress	September 2006	<p>See Recommendation No. (26)</p>

Recommendation	Status	Completed/ Target	
77. With appropriately increased delegation to staff, Council should substantially rationalize and reduce the number of ad hoc, special, and other committees and special-purpose bodies.	Completed	January 2004	City Council rationalized its ad hoc and special committees in 2004, reducing the number from 82 to 50. This compares to 96 immediately following amalgamation. These bodies will be reviewed again at the beginning of next term.
78. The term of a Council committee chair's tenure should be tied to the type of work the committee does.	Completed	June 2006	City Council approved changes to the governance system in June 2006 that provide for the chairs of committees to serve at pleasure of the Mayor.
79. Council committee meeting schedules should accommodate the committee's work.	In Progress	2007	As part of the governance changes approved in June 2006, Council adopted the principle of a more flexible meeting schedule and directed the City Clerk to consider this in developing the schedule for the new term. A new meeting schedule will be considered by the new Council after taking office in December 2006.
80. Relations between staff and councillors should always be civil and premised on mutual respect.	In Progress	2007	This is already reflected in the staff conduct policies. It is also reflected in the Members' Code of Conduct and strengthened in the proposal for revision of the provision on Discreditable Conduct.
81. Maintaining civil and professional relations between councillors and staff should be given ongoing attention.	In Progress	See Recommendation No. (80)	
82. Members of staff, apart from those working directly for a councillor, should remain neutral in their service to all councillors.	Completed	This is already reflected in the staff conduct policies.	
83. Staff should have more latitude to speak at meetings of Council.	No action planned	Current provisions allow for staff to respond to questions and speak when requested. Council recently approved procedural changes but did not take action on this recommendation.	

Recommendation	Status	Completed/ Target	
84. The Mayor should be involved in hiring the City Manager and should have limited input into hiring the small handful of officials immediately below the City Manager. Beyond that, all City hiring should be entirely free of any input or influence from the Mayor or individual councillors.	Completed	Current practice	<p>This is the current formal practice.</p> <p>Council recently reconfirmed a role for the Mayor to be involved in and recommending the hiring of the City Manager (rejecting proposals by the Governing Toronto Advisory Panel that the Mayor directly appoint the City Manager).</p> <p>Council also approved recommendations of the Integrity Commissioner regarding reference letters limiting a Councillor's involvement as an employment reference to those people they have directly supervised and eliminating the practice of acting as a reference for constituents et al.</p>
85. Although the Mayor can properly be involved in hiring the City Manager, there should be a clear division of responsibility between the Mayor and the office of the City Manager—a separation of the political from the administrative.	Completed	Current practice	<p>This is the current practice. For example, the Mayor's office has policy and communications staff separate from the City Manager or other divisional policy and communications staff.</p>
86. Staff should keep Council closely apprised of budgetary matters.	Completed	Current practice	<p>Council is kept apprised of budgetary matters in a number of ways:</p> <ul style="list-style-type: none"> - Council approves the capital and operating budget as part of a detailed process involving Council committees - In-year changes to the budget are reported to Council for approval - Material transfers of budgets between projects or programs are also reported to Council for approval - The comparison of budgets to actual revenues and spending is the subject of quarterly variance reports submitted to Council.
87. Staff reports to Council should be concise, while remaining scrupulously accurate and containing the best possible advice.	In Progress	Early 2007	<p>The City Clerk is working on changes to the Council report template for implementation in 2007.</p>
88. City staff should act at all times to further the public trust. This duty applies regardless of whether staff functions are visible to the public.	Policy in place	Current practice	<p>This value will underlies the conduct policies and ethics training developed by the City.</p>

Recommendation	Status	Completed/ Target	
89. Large City projects should have clearly defined roles and responsibilities.	Policy in place	Current practice	The City uses project charters for large City projects that outline project objectives, roles and responsibilities, approval processes, risk factors, stakeholders, sign-offs and numerous other factors.. In addition, the City offers training to staff in project management.
90. Staff who have benefited from any form of outside training, or who have attended an event showcasing what is available in the market, should spread that knowledge internally at the City by briefing colleagues with a presentation or report, as appropriate.	Completed	Current practice	Under the Conference, Seminar and Business Travel policy for staff, staff are required to file a written report within 30 days of the event with their Division Head outlining the benefits derived from the conference/seminar attended. The policy does not apply to a showcasing event, unless it involves business travel or is part of a conference or seminar.
91. Communication among staff members should be civil at all times.	Completed	Current policy	This is already reflected in the staff conduct policies.
92. City staff should use e-mail with professionalism and courtesy.	Completed	2005	The City has adopted an acceptable use policy for e-mail (2005) and policy on use of broadcast email and prohibited uses (2001).
93. City departments should understand that the City's Legal Services Division is a valuable team member, dedicated to ensuring that projects are conducted according to law at all times.	Completed	Current practice	This is the current practice.
94. The Legal Services Division should continue to ensure that outside counsel to the City are made well aware of their responsibilities and the reporting structure they should follow.	Completed	Current practice	The Legal Services Division continues to do so.
95. The City should review its retainer policies for outside counsel.	Completed	2005	Retainer policies have been updated and are applied consistently to all outside counsel firms.
96. The City, through the Mayor, should report to the public annually.	Completed	2005	The Mayor made his first report to the public on progress made on Council's term priorities in April 2005. The report is web-based and is located at www.toronto.ca/greatcity .
97. The City should treat lobbying as a potentially helpful practice that should be carefully controlled.	In Progress	2007	The City is in the process of developing a lobbying control framework and by-law using new powers under the City of Toronto Act, 2006 for implementation by January 1, 2008.

Recommendation	Status	Completed/ Target	
98. The City of Toronto should set out its own code of conduct for lobbyists. That code should set mandatory minimum standards for lobbyists in their dealings with the City. Every lobbyist should agree to be bound by the City's code of conduct before he or she can begin any lobbying activity.	In Progress	Early 2007	A lobbyist code of conduct is under development as part of the lobbying control framework.
99. Lobbyists should be held to the highest ethical standards.	In Progress	Early 2007	This will be included in the lobbyists' code of conduct.
100. No lobbyist should ever practise influence peddling. Councillors and staff should not risk compromising their positions by accepting any benefits of any kind from lobbyists.	In Progress	Early 2007	The prohibition on influence peddling and providing gifts and benefits will be addressed by the lobbyists' code of conduct. Acceptance of benefits has been addressed through staff and Member's codes of conduct.
101. Lobbyists should state clearly whom they are representing and why. They should never misrepresent themselves to the people they are attempting to influence.	In Progress	Early 2007	This will be included in the lobbyists' code of conduct.
102. Lobbyists should not be permitted to work for competing or conflicting interests without the written permission of both.	In Progress	Early 2007	This will be included in the lobbyists' code of conduct.
103. Lobbyists should refrain from placing or proposing to place an elected official or City staff member in a conflict of interest of any sort.	In Progress	Early 2007	This will be included in the lobbyists' code of conduct.
104. Lobbyists should be completely familiar with the City's ethics, lobbying, and procurement policies and abide by them at all times.	In Progress	Early 2007	This will be included in the lobbyist' registry system.
105. Lobbyists' access to councillors and staff should be restricted to regular office hours and locations.	In Progress	Early 2007	This will be reflected in the lobbyists' code of conduct.
106. Staff reports to Council should list lobbyists who made presentations to staff on the subject matter of the report.	In progress	2007	This will be reviewed by the City Clerk in conjunction with planned changes to report templates and formats.
107. There should be no lobbying of any kind at any time during a City procurement process.	In Progress	Early 2007	This will be included in the lobbyists' code of conduct.

Recommendation	Status	Completed/ Target	
108. Legitimate education of decision-makers about the value that a company can offer the City should be considered appropriate; lobbying aimed at influencing the procurement process before it occurs—so that when it occurs, it favours the lobbyist's client—should be considered inappropriate.	In Progress	Early 2007	This will be addressed by the lobbyists' code of conduct through a requirement to uphold the City's procurement policies.
109. Outside of City procurement processes, ethically appropriate lobbying is permitted. However, at no time should lobbying take the form of entertainment or the bestowing of gifts, meals, trips, entertainment, or favours of any kind on staff or councillors.	In Progress	Early 2007	This will be included in the lobbyists' code of conduct. It is also addressed through codes of conduct for staff and councillors.
110. City staff who leave the public service should not be permitted to become lobbyists at the City for at least twelve months after they leave. Former councillors should not be permitted to lobby for twelve months after leaving office.	In Progress	Early 2007	This will be included the provisions of the lobbyist registry system.
111. At no time after leaving City positions should former councillors or staff become involved as lobbyists on specific matters on which they worked during their time at the City.	No action planned		The City is limited in its ability to control the behaviour of departed employees. One exception is under a severance agreement, and then only for the duration of that agreement.
112. Lobbyists dealing with the City should not be permitted to receive contingency fees or any other type of bonus or commission tied to a successful outcome.	In Progress	Early 2007	This will be included in the lobbyist registry design. The power to do so is explicitly set out in s. 166.11 of the City of Toronto Act, 2006.
113. Professional lobbyists should not engage in any type of political fundraising for candidates or councillors they lobby, beyond making their own donations.	For future action	Subject to Provincial action	The City does not have the legislative authority to implement this recommendation because it amends province-wide municipal elections legislation. This matter has been raised with Provincial officials for subsequent regulatory or legislative action.
114. City councillors and staff should not under any circumstances endorse or recommend any one specific lobbyist to anyone.	In Progress	Early 2007	A prohibition on seeking an endorsement will be included in the lobbyists' code of conduct. A prohibition on making such recommendations will be addressed by members and staff codes of conduct.
115. The City should maintain a clear distinction between lobbying and charitable events.	In Progress	Early 2007	This will be included in the lobbyists' code of conduct and the codes of conduct for staff and councillors.

Recommendation	Status	Completed/ Target	
116. The City should establish and maintain a lobbyist registry.	In Progress	2007	A lobbyists' registry system is currently under development for implementation by January 1, 2008. A lobbyist registry system is a requirement under the City of Toronto Act, 2006.
117. The City's lobbyist registry should cover all who are paid to attempt to influence elected officials or City staff on behalf of others for a specific purpose.	In Progress	2007	This will be reflected in the design of the City's lobbyist registry.
118. No one should be permitted to engage in any lobbying activity at the City without first registering in the lobbyist registry.	In Progress	2007	This will be reflected in the design of the City's lobbyist registry. Lobbying without registering will be a by-law offence subject to a fine of \$25,000 for a first offence.

Recommendation	Status	Completed/ Target	
<p>119. The following information should be collected in the lobbyist registry.</p> <p>(a) The lobbyist's name, company or partnership name, and the names of all principals in the company or partnership.</p> <p>(b) Whom the lobbyist ultimately represents, not just the names of the clients. If the client is an organization or company, the names of the principals or of the CEO and directors should be given. If the lobbyist is working for a coalition of groups, the same information should be given for each group.</p> <p>(c) The client's business activities or organizational interests.</p> <p>(d) Whether the lobbyist's client is already doing business with the City.</p> <p>(e) Who is being lobbied. In the case of City staff, it is not enough to simply list the name of a department. A department could have several divisions and hundreds of employees. The registry should show the name, title, and department of the civil servants the lobbyist proposes to contact.</p> <p>(f) The subject matter of the lobbying activity.</p> <p>(g) A brief statement of the position taken on the issue.</p> <p>(h) The total amount paid to the lobbyist for the lobbying activity. To accord the lobbyist some privacy on financial matters, the amount paid can be a choice of preset ranges: for example, under \$10,000, \$10,000 to \$25,000, \$25,000 to \$50,000, \$50,000 to \$100,000, or over \$100,000. The total amount paid to the lobbyist should include all background work (for example, polls commissioned, research, preparing and producing materials), entertainment, gifts, fees paid to the lobbyist and to third parties, and any other expenses related to the lobbying campaign.</p> <p>(i) Whether the lobbyist or client has in the past received money from the City for any purpose, and if so, the amount.</p>	In Progress	2007	This will be reflected in the design of the City's lobbyist registry. The current proposals do not incorporate item (h) due to privacy concerns.
120. When registering, lobbyists should certify that they have not engaged in political fundraising at the City beyond making their own allowable donations.	For future action	Subject to Provincial action	See Recommendation No. 113.
121. The City should consider whether councillors and staff should also be required to record basic information on their meetings with lobbyists in the lobbyist registry.	For future action	2009	This proposal will be considered after the first year of operation of the lobbyist registry.

Recommendation	Status	Completed/ Target	
122. To oversee the lobbyist registry, the City should have a lobbyist registrar.	In Progress	Early 2007	This will be reflected in the design of the City's lobbyist registry.
123. There should be sanctions for failing to register in the lobbyist registry as required.	In Progress	2007	This will be reflected in the design of the City's lobbyist registry.
124. The lobbyist registrar should prepare an annual report.	In Progress	Early 2007	The requirement to file an annual report will be included in the by-law establishing the lobbyist registrar.
125. The lobbyist registrar should have an educational role.	In Progress	Early 2007	The lobbyist registrar will be assigned this role.
126. The lobbyist registrar should work closely with the integrity commissioner.	For future action	2007	It is expected that once appointed, the Lobbyist Registrar will work with all of Council's accountability officers to coordinate activities.
127. The lobbyist registry should be readily accessible and user-friendly for both the public and lobbyists.	In Progress	2007	This will be reflected in the design of the City's lobbyist registry.
128. Lobbying practices, the prevalence of lobbying, and the procurement context in which much lobbying may take place all change over time. Therefore, the City should review lobbying policies comprehensively after three years and then at regular intervals: for example, every five years.	For future action	2010	The Lobbyist Registrar will be given the authority to make recommendations to City council on improvements to the lobbying control framework as required. In an any event, a review will be conducted before Council takes office in December 2010.
129. City Council should establish fair, transparent, and objective procurement processes. These processes should be structured so that they are and clearly appear to be completely free from political influence or interference.	Completed	2004	The City's Purchasing By-law and the related Procurement policies and procedures were updated in 2004. The Procurement Processes Policy was approved by Council in 2004 and reinforces fairness, openness, transparency and integrity in the procurement process. Action on all procurement recommendations may result in revisions and improvements to procurement policies and procedures.

Recommendation	Status	Completed/ Target	
<p>130. Councillors should separate themselves from the procurement process. They should have no involvement whatsoever in specific procurements. They have the strongest ethical obligation to refrain from seeking to be involved in any way.</p>	<p>Conflicts with Council policy</p>		<p>Council approved an Access to Procurement Information Policy in July 2005 which is inconsistent with this recommendation from the Inquiry. This policy allows individual Councillors access to the procurement process and information. This is a formal process that requires Councillors to sign a non-disclosure declaration. Access requests will be reported to Council quarterly (first report was in May 2006).</p> <p>A status report on the implementation of the procurement recommendations was forwarded to June P & F from the Treasurer which asked Council to reconfirm this policy given that it conflicts with the Bellamy Recommendations. This report was deferred to the September meeting.</p>
<p>131. Members of Council should not see any documents or receive any information related to a particular procurement while the procurement process is ongoing.</p>	<p>Conflicts with Council policy</p>		<p>See Recommendation No. (130)</p>
<p>132. Councillors who receive inquiries from vendors related to any specific procurement should tell them to communicate with one or more of the following three people, as is appropriate in the circumstances:</p> <p>(a) the contact person in the tender document, in accordance with the contact rules in place (b) the fairness commissioner (c) the person in charge of the complaints process, as set out in the tender documents</p>	<p>Completed</p>	<p>2004</p>	<p>The Procurement Process Policy approved by Council reinforces that communication should only be made with contact persons identified in the call document. The City's call documents specify contact persons.</p>
<p>133. Procurement should be overseen and managed by one City department.</p>	<p>Completed</p>	<p>At amalgamation</p>	<p>The City's procurement is centralized in the Purchasing and Materials Management Division (PMMD).</p> <p>Purchases under \$7,500 are processed by divisions through a Divisional Purchase Order process however procedures on the use of DPOs and monitoring of DPO activity is the responsibility of PMMD.</p>
<p>134. Since effective procurement is fundamental to the good governance of the City, the head of the central procurement department should be a very senior position.</p>	<p>Completed</p>	<p>At amalgamation</p>	<p>The City's updated Purchasing By-Law specifically designates the Director of Purchasing and Materials Management as the City's Chief Purchasing Official. The Director and the City Treasurer are both able to serve as policy advisor to Council on large procurements.</p>

Recommendation	Status	Completed/ Target	
135. The City should consider alleviating some of the great pressure on the Purchasing and Materials Management Division caused by volume of work by raising the threshold for the division's involvement in procurement from the current minimum contract value of \$7,500.	In Progress	Mid 2007	Raising the DPO limit will be considered once the results of the new Purchasing Card program and the under \$50,000 informal quote procedure are assessed (early 2007).
136. City procurement staff should receive adequate and ongoing training.	Completed	February 2005/Ongoing	A training program has been developed for procurement staff. Training in procurement process has been delivered to line divisions. New tools for line divisions such as the RFP checklist, contract management checklist, RFP template and guideline, RFQ template and guidelines have been developed and posted in the PMMD's Intranet Site.
137. Training in operational matters for City procurement staff should include the basics of procurement policy as well as training focused on specific sectors.	Completed	February 2005/Ongoing	Focused training in 2005 and 2006 in the following areas: communications, customer service, principles of buying, procurement planning, contract management, use of RFP and RFQ templates, formal agreements.
138. Consistent, centrally mandated training in the ethical aspects of procurement should be mandatory for those involved in the procurement process at the City.	For future action	Early 2007	This will be started in 2007.
139. Despite the desirability of central procurement, line departments have an important role to play in determining the City's needs. Therefore, designated staff in line departments should be given time to keep up with market developments in their field.	In Progress	Ongoing	Managers are encouraged to look for development opportunities for their staff during the performance review process.
140. Secondments for City procurement staff to work at other organizations in the private or public sector should be considered.	In Progress	End of 2007	To be reviewed.
141. City procurement staff should engage in regular discussions with their peers at other governments, including the provincial and federal governments, to study their approaches and analyze what works and what does not.	Completed	At amalgamation	The City participates in a number of government purchasing associations and consults with other governments on a regular basis.

Recommendation	Status	Completed/ Target	
142. Some staff view vendor-sponsored events as an opportunity to network with their own City colleagues. The City should consider facilitating this important aspect of work culture by holding its own internal educational events, thereby avoiding the risk of undue influence from vendors.	Completed	Current practice	The City has taken steps to separate networking among staff from vendors-sponsored activities. The City does not permit staff to accept gifts of hospitality or entertainment. The City encourages networking through a variety of City-run activities including regularly scheduling information meetings, staff learning summits, public service development activities.
143. Each procurement professional in a key City position should have paid membership in at least one relevant professional organization.	Completed	At amalgamation	Memberships are paid for the Director and PMMD Managers. Senior PMMD staff either belong to the Purchasing Management Association of Canada or the Ontario Public Buyers Association or both. The acquisition of a professional purchasing designation is actively encouraged for all purchasing staff.
144. The Purchasing and Materials Management Division should issue a procurement manual.	Completed	Updated in 2004	The procurement manual is published on the City's Intranet Site. The site was promoted as part of the training provided to line departments in 2004 and 2005.
145. Senior staff and councillors should all receive training necessary to be able to read and understand financial statements.	Completed	Ongoing	<p>A corporate course is offered entitled "Finance for Non-Financial Managers" which has two modules - one for Accounting and the other for Budgets. Each module is a full day course. The Accounting module includes a review of the City's financial statements and interim reporting, the City's financial information system and the various input sources and control points. The course has been heavily subscribed by middle management and clerical staff. The Budget module includes a review of principles of financial management, managing the budget, analysing and evaluating performance measures and variance reports and reporting process.</p> <p>The information provided to Council to support the understanding and explanation of the City's annual financial statements has been significantly expanded over the last two years.</p>
146. There should be a strong presumption in favour of mandatory competitive tendering for all significant City procurements. Criteria for exemption from mandatory tendering should be tightly defined in advance.	Completed	Updated in 2004	City policies favour mandatory competitive processes. The procurement processes policy was updated and approved by Council in July 2004. Exemptions for non-competitive procurement are set out in Section 3 of the policy. There is also a separate policy for sole source purchases.

Recommendation	Status	Completed/ Target	
147. The City should make public the training and education materials it provides to its own procurement staff.	In progress	End of 2007	The City's Purchasing By-law and most of the relevant City procurement policies are available on the City's public website. Additional training and education materials are not available at this time but will be considered when the City's purchasing website is updated.
148. When the City makes changes to its procurement policies, it should make them public.	Completed	2002	All procurement policies are approved by Council in a public process and updated on the City's public website.
149. All potentially interested parties should be made aware of the City's intent to issue a tender.	Completed	2000	The City advertises its calls on the public website. Construction tenders are also advertised in various newspapers and publications.
150. The Purchasing and Materials Management Division should work closely with line departments in acquiring goods or services.	Completed	At amalgamation/ Ongoing	PMMD works in partnership with divisions in administering the City's purchasing process.
151. At the outset of any major City procurement, a project charter should be established to set out the scope of the project, the associated risks, the resources needed, the competencies required, and the tasks to be completed, with due dates.	Completed	2000	A corporate project management initiative was developed at the City to provide support and assistance to staff in managing projects. A number of tools are available to staff, including a template for a project charter. Most major procurements are part of a larger project which have project charters in place. See also Recommendation No. (164).
152. For large City procurements, key documents should be tracked by who has reviewed them, who has had input, and what that input was.	Completed	Reviewed & updated in 2006	The contact person in PMMD is responsible for version control of all call documents.
153. Project teams should be carefully assembled for major City procurements.	Completed	Reviewed & updated in 2006	Most major procurements are part of a larger project which have project charters in place. A key component of the project charter is the project team. See also Recommendation No. (164) and (170).
154. When more than one City department is involved in a procurement, each relevant department should designate a lead individual for the project.	Completed	Reviewed & updated in 2006	This is standard practice and was recently emphasized in the blanket contract process training. Blanket contracts are the most common form of procurement for items and services used by multiple departments.

Recommendation	Status	Completed/ Target	
155. The roles and responsibilities of City staff involved in the procurement should be clearly defined in advance.	Completed	Reviewed & updated in 2004	The recent revision of the City's Purchasing policies and procedures have better defined roles and responsibilities. However, more work needs to be done to promote better and proactive communication between PMMD and the line divisions.
156. A standard checklist should be prepared indicating all of the elements that should be in place before the City launches a tender.	Completed	2005 & 2006	Checklists exist for RFPs, RFQs and tenders.
157. One senior person on the procurement team should be designated as the contact person in case councillors have questions outside the committee or Council process.	Completed	At amalgamation	The designated individual is the Director of Purchasing and Materials Management or his/her designate.
158. Managers on large procurement projects should increase reliance on face-to-face meetings, with confirmatory minutes, when it is essential to ensure that communication is clear and that everyone understands their roles.	In Progress	End of 2007	Once some of the new efficiency tools for low value purchases (P Cards, Informal quote process) take hold, staff time in PMMD will be freed up to increase the number of face-to-face meetings.
159. Gaps in in-house expertise essential to any City procurement should be filled by outside consultants.	Completed	Ongoing	See also Recommendation No. (162) and (178). Funding for outside consultants to assist PMMD in place for 2006 and a request made for 2007. Expertise may be required by divisions as well depending on the project.
160. External consultants hired by the City should not help any potential bidder in a forthcoming tender.	Completed	2004	Council adopted the "Policy to Exclude Bids from External Parties Involved in the Preparation or Development of a Specific Call/Request" in March 2004.
161. Consultants who are retained by the City should be accountable for specific deliverables.	Completed	At amalgamation	This is emphasized in the City's RFP and Contract Management training materials. Contracts and purchase orders for consultants include terms and conditions of the purchase which includes specific deliverables.
162. Council should commit resources sufficient to ensure that the Purchasing and Materials Management Division has the necessary in-house information technology procurement expertise to carry out this significant and permanent part of its work.	In Progress	End 2006	Much of the City's IT procurement expertise resides in the Contract Management Office of the Corporate I & T Division. See also Recommendation No. (159) and (178).

Recommendation	Status	Completed/ Target	
163. Council should commit sufficient resources to ensure that the City has the best available IT leadership at all times.	In Progress	End of 2006/Early 2007	A review of IT Governance and Organization Design is underway and is expected to be completed late in 2006. This initiative will establish a clear IT decision-making and accountability framework, along with an organizational structure that will meet the City's needs for effective IT leadership and service delivery.
164. The Legal Services Division should be involved in major procurements from the outset.	Completed	At amalgamation	<p>PMMD and Legal Services have been working together on improving the RFP process and have developed an RFP template and guideline now available on the PMMD intranet site. As part of the promotion of this new tool, line divisions are encouraged to engage both PMMD and Legal Services as appropriate at the beginning of the procurement process. For major or complex procurements, line departments are to be required to engage both PMMD and Legal Services at the beginning of the process as part of the procurement project team.</p> <p>In April 2006, Council approved a policy that determines when a legal contract is required, which in turn determines when Legal should be consulted at the start of the process.</p> <p>See also Recommendation No. (151), (153) and (183).</p>
165. An information bulletin should be sent from the Legal Services Division to all senior managers to clarify signing authority for contracts.	Completed	2006	Administrative authority and responsibilities of division heads were communicated to division heads by the City Manager in May 2005. In addition, in April 2006, Council approved a policy that revises and clarifies signing authority for signing contracts.
166. For major, high-risk, controversial, or complex tenders, the City should consider retaining a fairness commissioner.	Completed	2004	Process was approved by Council in July 2004.
167. Before issuing a complicated tender, the City should consider engaging in a prerelease consultation.	Completed	2005	This approach has been used for the 3-1-1 and Street Furniture projects.

Recommendation	Status	Completed/ Target	
168. The City should remain vigilant to ensure that lobbying does not persuade the City to design the tender so as to unfairly favour one competitor in a pre-procurement consultation.	Completed	August 2000	Contact with lobbyists is covered under the Lobbyist Disclosure Policy and the Procurement Process Policy.
169. Leasing should remain a viable financing option for the City.	Completed	March 2004	The City will continue to seek the lowest cost solution for financing. Leasing options will be taken into consideration as appropriate.
170. The City should not enter into a leasing contract without the expertise to evaluate and implement it successfully.	In Progress	End of 2007	<p>Already in place for long term financing leases (i.e. excluding short term rental agreements and commercial office space leases). These require a review and report to Council from the Chief Financial Officer per the leasing policy adopted by Council in March 2004. Where necessary, this will include the use of external expertise.</p> <p>See also with Recommendation No. (153), (178) and (183).</p>
171. The City should establish and update as necessary a checklist of questions that staff should answer in exploring the viability of leasing.	Completed	2004	The checklist was included within the leasing policy for financing leases, adopted by Council in March 2004.
172. In future leasing arrangements, the City's Finance Department should lead the tender, not the department whose business assets are being leased.	In Progress	End of 2007	Already in place for long term financing leases as part of the leasing policy adopted by Council in March 2004. The Municipal Act leasing regulations exempt operating leases. The new City of Toronto Act leasing regulations will necessitate a new policy that addresses operating leases.
173. The City should establish best practices for setting competitive lease rate factors.	In Progress	End of 2007	Already in place for long term financing leases as part of the leasing policy adopted by Council in March 2004. The Municipal Act leasing regulations exempt operating leases. The new City of Toronto Act leasing regulations will necessitate a new policy that addresses operating leases.
174. The Purchasing and Materials Management Division should be more proactive in the leasing process.	Completed	Current practice	The Chief Purchasing Officer will work with the appropriate finance staff when leasing options are pursued.

Recommendation	Status	Completed/ Target	
175. The City should require the leasing company to set out clearly the amount of interest payable throughout the term of the lease along with any additional costs to the City of leasing beyond the periodic lease payments.	In Progress	End 2007	Already in place for long term financing leases as part of the leasing policy adopted by Council in March 2004. The Municipal Act leasing regulations exempt operating leases. The new City of Toronto Act leasing regulations will necessitate a new policy that addresses operating leases.
176. In any lease transaction, the City should not rely on the leasing company to keep track of its inventory.	In Progress	End 2007	Direction and procedures for tracking leased inventory will be incorporated into the new leasing policy to be developed by Corporate Finance.
177. If the City wishes to consider any sale-and-leaseback transactions, City Council authorization should first be sought.	Completed	March 2004	Subject to delegated authority, for situations where City assets or budget appropriations would be materially affected, prior Council authorization is to be obtained.
178. Leasing IT hardware and software poses many special challenges. If the City decides to lease IT equipment or software again, it should retain expertise in this leasing subspecialty.	In Progress	End 2007	<p>General provision in place regarding long term financing leases. The Municipal Act leasing regulations exempt operating leases. The new City of Toronto Act leasing regulations will necessitate a new policy that addresses operating leases.</p> <p>See also Recommendation No. (159), (162) and (170).</p>
179. The City should standardize and clarify procedures for blanket contracts.	Completed	2004	<p>New procedures were developed in 2004 and staff have been trained.</p> <p>See also Recommendation No. (174).</p>
180. The City should clearly define its use of the term "vendor of record," to avoid confusion in the way this term is applied.	Completed	2005	The City no longer uses the term "vendor of record". All City vendors are engaged through purchase orders or specific blanket contract orders.
181. The City should consider whether having multiple vendors of record would prove useful in major procurements.	Completed	At amalgamation.	This is part of the procurement planning process.
182. Unless the nature of the contract warrants it, terms for the City's vendors of record should be short.	Completed	Reviewed & updated 2005	This is part of the procurement planning process.

Recommendation	Status	Completed/ Target	
183. The City should improve its position in contractual relations with vendors of record.	Completed	2003	<p>Project teams and charters are established for major procurements, and engaging PMMD and Legal staff will assist in representing City interests. Whether in the form of a purchase order (for straightforward purchases) or a formal agreement, a document that includes terms and conditions are required for certain types of procurements providing better information about what is to be delivered, when it is to be delivered, how it is to be delivered and what is to be paid. The criteria and guidelines for formal agreements was approved by Council in April 2006.</p> <p>See also Recommendation No. (164) and (170).</p>
184. The City should post the list of its vendors of record, and the goods and services each provides, on its website.	In progress	2007	<p>This information is already publicly available upon request. The City will review web posting as part of the current review of routine disclosure of information.</p>
185. The City should improve its oversight of vendors of record.	Completed	2004	<p>Contract management guidelines and checklists have been developed to address this. Contract management training is now available to City staff. Monthly contract reports are forwarded to City Divisions for review and action.</p>
186. The City should take steps to ensure that every person with a place on a preferred suppliers' list is in substance a different business entity.	In Progress	2007	<p>The City does not have a centralized "preferred suppliers list". For certain procurements the City does prequalify suppliers. Purchasing staff is reviewing this issue with the Solicitor for legal remedies.</p>
187. Before issuing any tender document, the City should establish criteria and an evaluation process to allow it to determine whether each bidder has the quality, experience, and capacity to deliver what the City needs.	Completed	Reviewed & updated in 2006	<p>Many of the RFPs that the City issues have mandatory pass/fail criteria to address this recommendation. It is part of the standard RFP development process.</p>
188. The project lead for each City procurement should ensure that the correct request document is used for the tender.	Completed	At amalgamation	<p>PMMD determines the appropriate request document in consultation with line divisions as part of the procurement planning process.</p>

Recommendation	Status	Completed/ Target	
189. In procurements where, by virtue of the dollar value or their contentious nature, Council will make the final decision, the request document should indicate that Council approval will be required and incorporate any criteria or conditions that Council considers necessary.	Completed	2004	<p>The RFP template recommends that the documents include an outline of the evaluation and approval timelines and milestone. When Committee or Council approval is required, this would be included in this section.</p> <p>All criteria for selection including Council's are included in the RFP documents. This is standard procedure.</p> <p>Not all calls that require Council approval state this in document (RFQs as an example).</p> <p>The RFQ template does identify that it is the responsibility of the bidder to become familiar and comply with all of the terms and conditions contained in the RFQ and the City's policies and Legislation set out on the City's website and provides the address. This would entail familiarizing themselves with the purchasing and financial control by-laws which identify the threshold for Council approval of procurements.</p>
190. The specifications for a product in the City's tender should be very clearly set out and be kept simple and fair without being simplistic.	Completed	At amalgamation	This has been the standard practice as part of the procurement process and is being reinforced in the new RFP template.
191. The Purchasing and Materials Management Division should main-tain a library of examples of previous specifications drawn from its own experience and those of other jurisdictions.	Completed	At amalgamation	PMMD has a Standards and Specifications Unit that maintains a library of specifications.
192. The City's specifications should indicate a cost range, to assist vendors in tailoring their bids.	In Progress	September 2006	The City's current policy on Actual Project Budget Related to RFP Documents (FS-PMM-21) specifically prohibits the disclosure of project budgets. There is a report before Council at the September 2006 meeting recommending the repeal of this policy and that guidelines outlining the circumstances in which it would be appropriate to disclose budget information in the City's RFP documents be developed and posted on the PMMD website.
193. When setting deadlines for submission of bids, the City should balance the urgency involved against giving vendors enough time to understand the requirements, ask questions, take the answers into account, and prepare their responses.	Completed	At amalgamation	This is part of the procurement planning process.

Recommendation	Status	Completed/ Target	
194. The City should protect the integrity of its own deliberative processes and the need for Council approval by requiring vendors to hold terms in their bid open long enough for Council to make a considered decision and long enough for the necessary contracts to be thoughtfully entered into.	Completed	At amalgamation	This is part of the procurement planning process. Also, the price is firm until awarded which could mean Council approval depending on value of procurement.
195. On a case-by-case basis, the City should consider whether the final contract that it expects the successful bidder to sign should be attached to tender documents.	Completed	Updated in 2005	For construction tenders, this is essentially the case. As part of the effort to improve the RFP process, PMMD and Legal staff are actively promoting inserting contract terms and conditions in the RFP call document. The new RFP template encourages this as well.
196. Bidders should be clearly advised in the tender document that they are not permitted to advance their case by alluding in any way in their bid documents to a relationship with a councillor, the Mayor, or senior staff.	In progress	Early 2007	This will be incorporated in the review of tender documents that is currently underway.
197. The City should hold bidders to the ethical standards set out in the City's ethics policies as applicable.	Completed	September 2000	See also Recommendation No. (52): principles that business partners should adhere to. See also Recommendation Nos. (54), (55) and (56): code of conduct requirements for all procurement process. See also Recommendation Nos. (58), (59) and (60): ethical requirements for consultants and contractors.
198. The City should continue to provide all potential bidders with its suppliers' briefing document.	Completed	At amalgamation	This is standard practice.
199. Both paper and electronic drafts of tendering documents should state, in large letters on each page, that they are internal City documents and strictly confidential.	Completed	2005	Documents are stamped and MFIPPA provisions apply to disclosure of documents.
200. One individual or one small committee with clear membership should have complete version control and supervision over the draft tender documents for each City procurement.	Completed	2005	This is standard practice.

Recommendation	Status	Completed/ Target	
201. The appropriate times and ways to have contact with a bidder should be carefully designed as part of the procurement process, and made very clear to City staff.	Completed	2004	This is outlined in the Procurement Process Policy approved by Council in 2004. This is standard practice and is being reinforced in the new RFP template and guideline.
202. The manner and timing of notification to bidders of the outcome of the procurement process should be settled in advance, so that bidders can have appropriate expectations and so that unnecessary and potentially problematic communication between City staff and vendors will be prevented.	Completed	At amalgamation	The RFP template recommends that the documents include an outline of the evaluation and approval timelines and milestones. It also includes details on award notification. The City's website provides a listing of tender awards and advises that tender award results are also available by phone (and provides the number).
203. The City should be vigilant in not favouring incumbents unfairly in any tender process.	Completed	At amalgamation	PMMD is responsible for monitoring the fairness of the process.
204. All City staff involved in any way in active tenders should be, and be seen to be, beyond reproach. Accepting gifts, favours, entertainment, or benefits of any kind from a vendor or potential vendor should be prohibited.	Completed	August 2000	The City's Conflict of Interest Policy covers this.
205. When a tender document is publicly released, it should always state the name and full contact information of the person whom prospective bidders can contact with any questions. The tender document should make clear that this is the only City person bidders may contact regarding this tender for the entire procurement process.	Completed	At amalgamation	The City's usual practice is to identify two contacts: a PMMD contact for process questions and a line Division contact for technical questions. See also Recommendation No. (207).
206. Bidders may not use the designated City contact person as a conduit to promote their bids.	Completed	Revised and updated in 2000	Conflict of interest policy and the Purchasing By-law address this.

Recommendation	Status	Completed/ Target	
207. To ensure that there is no appearance of advantage for bidders who communicate with the designated City contact person, that person should not participate in evaluating the bids.	In progress		The City's current practice is to provide two contacts: one from PMMD with respect to bid process and one from the client division with respect to the call specifications. The PMMD contact participates in the evaluation as a process advisor and does not score the proposals. While the divisional contact may be involved with the evaluation, they are part of a larger evaluation team that conducts the evaluation under the guidance of PMMD or a fairness commissioner, in the case for large and complex RFPs. The determination of the award is based on the consensus of the evaluation team, not one individual. To provide one contact for all bid inquiries has staffing implications and may negatively effect the schedule of call closings and awards.
208. Every tender document should contain a definition of the "blackout period" when communication between the City and bidders is prohibited.	Completed	2004	Every call has a deadline for questions before the bid closes. Any contact between bidders after the question deadline and before the award becomes public, is supposed to be directed to PMMD. Divisional staff are instructed not to give out any information during this period. This is also addressed in the Procurement Process Policy. See also Recommendation No. (56).
209. Any misuse by a bidder of confidential information belonging to the City or to another bidder should be grounds for disqualification from the bid.	Policy in place	Current practice	The City's instructions to bidders in the City's RFP documents prohibits the release and sharing of information and provides for disqualification or contract termination if this occurs.
210. The City should release tenders on the Internet to allow fair and equal access to them.	In Progress	Early 2007	With the exception of Construction Tenders, bid calls are delivered to firms on the City's bid list via email (completed in 2006) and will be available over the internet in 2007.
211. Bids that have been received on a specific City tender should be organized and filed together.	Completed	At amalgamation	This is standard practice.
212. The City should have clear practices surrounding the reading of bids.	Completed	Revised & updated in 2005	The City's public opening procedures were updated in 2005. They provide for the public opening of bids daily at 12 noon at City Hall.

Recommendation	Status	Completed/ Target	
<p>213. No one involved in evaluating the bids at the City should have a pre-existing relationship with any of the bidders or be influenced in any way by anyone else's pre-existing relationship with a bidder.</p>	Completed	August 2000	<p>For RFPs, each evaluation team member is required to disclose in writing any conflicts of interest with potential bidders (e.g. family members employed by the bidder).</p> <p>In addition staff conflict of interest policies require staff to remove themselves from situations in which they have a real or apparent conflict of interest.</p> <p>See also Recommendation No. (215).</p>
<p>214. For major procurements, the City's evaluation committee should be a group that is representative of all areas affected by the procurement. To ensure fairness, no one involved in the pre-procurement phase or the bidding process should be involved in evaluating the proposals.</p>	In progress		<p>For major procurements, the City already establishes representative evaluation committees.</p> <p>The exclusion of all who are involved in the pre-procurement phase from the evaluation phase would be difficult to implement for major RFPs given that a number of individuals will have a role in either crafting or approving the RFP document (i.e. all of the individuals affected by the procurement as recommended). The expertise required in preparing the RFP is also required for evaluating the responses. To offset the concern of impartiality on large RFPs, the City engages a fairness commissioner to ensure that both the development of the RFP and the evaluation of the responses is conducted fairly.</p>
<p>215. Each member of the City's evaluation team should sign a conflict of interest declaration disclosing any entertainment, gifts, or other benefits, in cash or in kind, received from any of the proponents or their representatives. All members should also declare that they will conduct the evaluation in a fair and objective manner, free from any conflict of interest or undue influence.</p>	Completed	2005	<p>See also Recommendation No. (213). A declaration form must be completed by each member of the evaluation team.</p>
<p>216. The City should develop, in consultation with the senior financial staff and the City solicitor, a protocol for treatment of mathematical errors or other obvious mistakes in submissions.</p>	Completed	2004	<p>The Procurement Processes Policy, which was approved by Council in July 2004, includes actions to be taken by the CPO for bid/proposal irregularities and mathematical errors.</p>
<p>217. Contact with bidders by the City's evaluation team should occur only in accordance with fair principles identified in advance.</p>	Completed	2004	<p>Each call has contacts identified. If interviews or demonstrations of product are to be part of the evaluation process, the RFP discloses how this will be done. The Procurement Process Policy also addresses this item.</p>

Recommendation	Status	Completed/ Target	
218. The weight to be assigned to price in determining the winning bid should be carefully considered and settled upon in advance.	Completed	At amalgamation	This is standard practice and is set out in the relevant PMMD policies and procedures.
219. When circumstances require a rapid RFP or RFQ for a City procurement, the process can be done electronically: for example, by telephone, fax, or e-mail.	Completed	2005	The informal, under \$50,000 quote process which allows for phone, fax or e-mail quotes will be implemented October 1, 2005.
220. Special effort should be made to ensure that rapid tenders for City procurements are public.	No Action Planned		The under-\$50,000 quote process does not contemplate public disclosure as it adds to the timelines to receive quotes. The intent is to use the bidders list that is established annually.
221. For tenders with short turnaround times, the City's lead person on the tender should choose a deadline that allows bidders a fair chance to respond.	Completed	At amalgamation	This is part of the procurement planning process. See also Recommendation No. (226).
222. For tenders with short turnaround times, the City's lead person on the tender should make reasonable efforts to ascertain before the tender is issued that prospective bidders are available to respond.	Completed	At amalgamation	This is part of the procurement planning process. See also Recommendation No. (226).
223. If there is a deadline in a tender—for example, if a vendor is offering a particular term for only a limited time—committee and Council should be clearly notified, with sufficient time to respond in a deliberative fashion.	Completed	At amalgamation	See also Recommendation No. (226). Staff make Council aware in the staff report. It is the responsibility of the Divisions in consultation with PMMD to ensure all issues are identified. See also Recommendation No. (226).
224. During debate on procurements in Council, all councillors should be guided by one principle: what will best serve the public in the circumstances.	Completed		This is a standard guiding principle. Additional parameters are provided in the Members' Code of Conduct.
225. If Council decides to alter the fundamental terms of the tender after the bids have been submitted, the procurement should be re-tendered, to be fair to all the bidders.	Completed	At amalgamation	This is standard practice. PMMD and Legal Services are always on hand at Committee and Council to advise when this occurs.
226. When debating procurement decisions, councillors should respect necessary timelines for decision making as set out in staff reports.	Completed	Ongoing	See also Recommendation No. (221), (222) and (223).

Recommendation	Status	Completed/ Target	
227. Wherever possible, Council and committees should make procurement decisions in public.	Completed	At amalgamation	Making decisions in public is standard practice. Discussion of proposals occurs in private to avoid disclosure of third-party proprietary information.
228. The City should maintain a record of when and by whom a bidder is told it has been successful.	Completed	At amalgamation	Record on file when buyer issues the PO or Blanket Contract.
229. Following the decision to award a contract, unsuccessful bidders are entitled to a debriefing explaining the evaluation process that led to the City's selection of the successful bidder.	Completed	Revised & updated in 2004	This is included in PMMD's Procurement Process Policy that has been approved by Council.
230. To demonstrate its commitment to maintaining integrity and transparency in the procurement process, the City should have a comprehensive bidder complaints policy.	Completed	Revised & updated in 2004	This is part of the Procurement Process Policy as approved by Council.
231. A bidder should not be allowed to file a formal complaint without having made a post-debriefing submission to the City.	Completed	2004	Some complaints are still going directly to Councillors rather than to the Chief Purchasing Official as required by the Procurement Processes Policy See also Recommendation No. (233).
232. Councillors should not act as advocates for aggrieved bidders.	Completed	2004	See also Recommendation No. (233).
233. The City should adopt a formal two-stage process to manage bidder complaints, to replace the current standing committee/deputation approach.	Completed	2004	The current policy requires the complaint to be made in writing to the Chief Purchasing Official. If the complaint cannot be resolved, the bidder is advised of their right to make a deputation to Committee. See also Recommendation No. (231) and (232).
234. Those authorized to sign contracts at the end of a City procurement process should be identified at the outset in the project charter.	Completed	April 2006	New processes and procedures for executing contracts were approved by Council in 2006 which address this recommendation..
235. Once a tender process has closed to the bidders, the major terms of the City's tender should not be changed. Major terms of a contract signed with a winning bidder should not be changed either.	Completed	At amalgamation	This is standard practice.

Recommendation	Status	Completed/ Target	
236. When it is necessary because of error or other circumstances to change major terms in a tender or contract after bidding has closed, staff should report to Council on the reasons for the change and on how the change will be managed.	Completed	Current practice	Under current policy, changes to the major terms of a tender or contract automatically require that the call be reissued.
237. The City should treat contract management as an important priority and resource it accordingly. For effective contract management, a well-staffed contract management office is needed.	In Progress	Ongoing	The City Manager has made contract management a priority. Contract management guidelines and checklists have been developed and posted in the City's Intranet. Contract management training has been developed and is now being delivered to City staff.
238. The City should put in place procedures to track spending on contracts that affect more than one department.	Completed	2004	The new blanket contract procedures ensure contracts are tracked, including multi-divisional contracts.
239. Staff should be vigilant in ensuring that all data is entered into accounting systems to permit full tracking of expenditures against approved contract amounts.	Completed	2004	The new blanket contract procedures ensure contracts are tracked. Accounting Services staff monitor the number of purchase orders have been issued after the invoice and follow up with departments to ensure compliance. Commitments are recorded as they are incurred. Accounting Services has significantly improved the City's payment timelines and it continues to be a priority.
240. The City should work with provincial officials as necessary to implement these recommendations.	Completed	June 2006	The City has worked with provincial officials to ensure the City has the broadest possible powers to implement the recommendations of the Inquiry. The result of this work is reflected in the City of Toronto Act, 2006 which received Royal Assent in June, 2006.
241. At the first Council meeting after the first anniversary of the release of this report, the Mayor should report to Council on progress made in implementing the report's recommendations.	Completed	September 2006	The Mayor will report to the September 2006 meeting of City Council.
1. A municipal public inquiry should have all of the powers granted to an inquiry under both Part I and Part II of the Public Inquiries Act.	Requires Provincial Action	Unknown	There is no change to the rules governing municipal public inquiries under the City of Toronto Act, 2006 or proposed changes to the Municipal Act under Bill 130. Municipal public inquiries continue to have the powers under Part II, but not the powers under Part I.

Recommendation	Status	Completed/ Target
2. The Public Inquiries Act should be amended to include a mechanism whereby interlocutory matters, including issues related to solicitor-client privilege, could be resolved expeditiously.	Requires Provincial Action	
3. The Public Inquiries Act should be amended to formalize the power to summons the production of documents without the need for attendance by a witness.	Requires Provincial Action	