



Protocol for Gender Identity and Gender Expression; Transgender and Gender Non-Conforming Persons

REVISED

Introduction

The City of Hamilton (The City) is committed to providing a safe, respectful, and inclusive environment for community members who use our services and for all employees. The City has a legal and moral responsibility to maintain environments that are free from discrimination and harassment for community members and employees. The City is committed to enhancing equity and inclusion through the provision of City services and within the workplace, and to promote awareness of our human rights obligations. In accordance with the Charter of Rights and Freedom, Ontario *Human Rights Code (the Code)*, the City recognizes the dignity and worth of every person such that each person feels a part of our community and is able to contribute fully without harassment or discrimination.

The City recognizes that transgender and gender non-conforming persons constitute one of the most disadvantaged groups in our society. This group routinely experiences discrimination, harassment and violence because of their gender identity or gender expression. Such experiences create barriers to civic engagement and participation in the broader community and deny us the benefits of contributions from all Hamiltonians.

The City also acknowledges that individuals often face barriers based on more than one prohibited ground under the *Code* and thus every person will have different experiences. For example, barriers may differ between an individual who identifies as transgender and also has a disability, and another transgender individual who also belongs to a racialized minority group. When City services or employment have inclusive standards and requirements, but a particular bona fide standard or requirement would pose a difficulty for a person due to an individual characteristic connected to any prohibited ground of discrimination, the City has an obligation to accommodate the individual to the point of undue hardship with respect to health and safety or cost.

In order to ensure that all employees and members of our community, especially transgender and gender non-conforming individuals, feel safe and welcomed, the City has developed this protocol specifically to set out guidelines to ensure the equitable, fair, and respectful treatment of all persons who work at or otherwise interact with the City as a resident or service user.

There are a number of policies and procedures this protocol accompanies that demonstrate and enforce the City's commitment to the equity and inclusion of all persons and also reinforce the City's legislative requirements. This protocol supports the City's existing policies and procedures, and as such should be read in conjunction with the following:

- Equity and Inclusion Policy
- Harassment and Discrimination Prevention Policy
- Personal Harassment Prevention Policy
- Procedure for Resolving Harassment & Discrimination Issues
- Employment Accommodation Policy
- Workplace Accommodation Procedure
- Violence in the Workplace Prevention Policy
- Violence in the Workplace Prevention Procedure
- Workplace Breastfeeding Policy

Purpose

Through this protocol, the City seeks to provide employees with clear guidelines regarding actions and behaviour that is inclusive and respectful of all gender identities and expressions.

This protocol has also been developed to raise awareness and understanding of our shared obligation to promote the dignity and equitable treatment of all employees and members of our community, regardless of their gender identity or gender expression.

Rights and Responsibilities

All people have a right to be treated with dignity and respect, free from discrimination and harassment.

The Ontario *Human Rights Code* (the *Code*) prohibits the harassment and discrimination of persons based on the prohibited grounds outlined within the *Code*, which includes gender expression and gender identity. Individuals are protected from discrimination and harassment in five social areas, including:

- In receiving goods, services, and using facilities
- In occupying housing accommodations
- When entering into contracts
- In employment
- In joining or belonging to a union or professional or vocational association

In compliance with the *Code*, individuals who identify as transgender or gender non-conforming have the right to be free from discrimination, harassment and violence, which includes the right to:

- be identified and referred to based on their gender identity;
- access facilities and services based on their gender identity;
- be communicated with in a respectful manner;
- be able to voice a complaint or express concern about human rights violations without fear of reprisal

Scope and Application

All employees, at all levels within the organization, play an important role in creating safe, inclusive and respectful environments for transgender and gender non-conforming employees and citizens, both within the workplace and in accessing City services.

All employees at the City are required to follow the guidelines as set out within this protocol and to abide by all related City policies and procedures. For the purposes of this protocol, “all employees” includes but is not limited to: full and part time regular, temporary and contract employees. Additionally, students, interns, and volunteers must also follow this protocol.

This protocol has been separated into two sections:

- 1) Customer Service Guidelines, and;
- 2) Employee Guidelines.

While there may be overlap within these sections, the separation is intended to provide employees with greater clarity and direction.

Customer Service Guidelines:

1. Privacy and Confidentiality

- 1.1 All persons are entitled to privacy and confidentiality. In accordance with Municipal Freedom of Information and Protection of Privacy Act (MFIPPA) and the Personal Health Information Protection Act (PHIPA), the City has a legal obligation to protect data gathered and to ensure that information collected remains secure and confidential.
- 1.2 Information must only be collected where there is a bona fide reason to do so.
- 1.3 Information pertaining to community members should be kept only if necessary.
- 1.4 A person's medical history, particularly as it relates to sex assigned at birth, social or medical sex/gender transition, anatomy, as well as any information regarding their gender identity must remain confidential. Where information may be required for accommodation or to otherwise meet the needs of the person, only relevant information should be shared and limited to only those individuals who are directly involved in the process.
- 1.5 Disclosure of a transgender or gender non-conforming person's gender identity or the extent of their transition without their consent and knowledge is prohibited and considered to be a form of harassment and discrimination under the Ontario *Human Rights Code*.

2. Identification, Language, and Administrative Systems

- 2.1 Everyone has the right to define their own gender. Transgender persons should be recognized as they want to be, whether or not they have undergone surgery or whether their identity documents reflect their gender identity.
- 2.2 All persons must be referred to by their preferred name, gender and pronoun.

- 2.3 Community members have a right to update their administrative record(s) to match their gender identity should they wish to do so.

3. Collecting data on sex and gender

- 3.1 Data on sex and gender is often collected when there is little or no need to know in order to provide a product or service. Before collecting data on sex or gender, thought should be given as to whether there is a legitimate need or a legal requirement to solicit this type of data.
- 3.2 What constitutes a 'legitimate need' may vary. Employees should consider the following when determining whether to ask for sex and/or gender data:
- What is the rationale for asking for sex and/or gender data?
 - Is knowing a person's sex or gender essential to providing a service?
 - Will this data be used in demographics and analysis? Is it useful to improve services?
 - Can the data be collected in an anonymized manner and analyzed in the aggregate, or is there a need to attach the data to an individual's administrative record.
 - How will this data be stored and kept secure?
 - Does asking for this data contribute to the City's equity and inclusion strategy?
- 3.3 Where a legitimate need or legal requirement to collect sex and gender data has been identified, it is essential that the option be made available for people to self-identify, wherever possible, in categories that go beyond the two categories of "female" and "male." One best practice is to permit persons to self-identify in an open text box format, wherever possible.
- 3.4 If data will be used in demographics and analysis, or to improve service delivery, a separate demographic question may be used to identify transgender/non-binary service users (e.g. What is your gender: _____, Would you like to self-identify as: transgender, non-binary, Two-Spirit, or

as a person with a history of sex/gender transition? Y/N) and this information should not be included on the individual's account or data profile.

4. Dress code

- 4.1 All persons are entitled to dress in accordance with their gender identity or gender expression. An individual's gender expression, and the fact that it may be different than a staff member's expectations around dress or grooming that may be common based on a particular gender identity, shall not be used as grounds to question a person's self-identified gender identity or remove the person from a washroom or change room.

5. Washrooms and change facilities

- 5.1 The City of Hamilton will make all efforts to ensure that persons can use washrooms with safety, privacy and dignity, regardless of their gender identity or gender expression.
- 5.2 All persons have the right to access washroom and change facilities based on their self-identified gender identity.
- 5.3 Where available, the City will provide an all-gender, single stall washroom/change room for use by any persons who desire it. The use of all-gender, single-stall washroom/change room could be an option that people may choose, but this option should not be imposed upon an individual because of the individual's gender identity.
- 5.4 If any person has a bona fide reason to request additional privacy but private change room facilities are unavailable, accommodation will be provided on an individual basis to address the individual's needs. This may include such things as providing access to an office or a restricted area; implementing a change room schedule; redesigning existing facilities; and creating a private area within a public area (i.e.: separating an area with a curtain).
- 5.5 Harassment of any person in a washroom/change room based on their gender identity or gender expression, including a challenge to the person's right to access the washroom/change room space because of their gender identity or gender expression, is unacceptable. If an individual engages in

persistent harassment staff may require the individual to leave the washroom/change room and use the alternative facilities.

- 5.6 All persons have the right to use City washroom and change room facilities without harassment, sexual harassment, voyeurism, and physical and sexual assault. In addition to any legal sanctions that these behaviours may result in, engaging in these behaviours would be grounds to remove a person from City facilities.

6. Support for Employees

- 6.1 The City's Human Rights, Access and Equity Office in Human Resources can be contacted to provide employees with information, resources and support as required to the provision of high quality services to all persons.
- 6.2 Should employees need assistance or guidance at any time in the implementation of this Protocol, they are advised to contact Human Rights, Access and Equity as soon as possible. Good faith and timely requests for assistance or guidance are encouraged if and when an employee is unclear about the application of the protocol in a particular situation, and an employee's timely request for assistance from the office will be taken into consideration should a complaint be made regarding the employee's handling of the situation.

Employee Guidelines:

1. Privacy and Confidentiality

- 1.1 All employees of the City of Hamilton are entitled to privacy and confidentiality. In accordance with Municipal Freedom of Information and Protection of Privacy Act (MFIPPA) and the Personal Health Information Protection Act (PHIPA), the City has a legal obligation to protect data gathered and to ensure that information collected remains secure and confidential.
- 1.2 Information must only be collected where there is a bona fide reason to do so.
- 1.3 Information pertaining to a transgender and gender non-conforming person's gender identity must remain confidential, unless the person provides consent for information to be released. For example, prior to the first day that a transitioning employee will be publically expressing their gender at work, the employee may provide consent to a Manager or a representative from Human Rights, Access and Equity to disclose some information to the employee's colleagues to confirm the City's support for the employee, increase understanding, and facilitate the transition.
- 1.4 A person's medical history, particularly as it relates to transitioning, as well as any information regarding their gender identity must remain confidential. Where information may be required for accommodation or to otherwise meet the needs of the person, only relevant information should be shared and be limited to only those individuals with a need to know who are directly involved in the process.
- 1.5 All employee information is to be kept in Human Resources in a secure filing location. Information must be securely housed and accessible only by those with a legitimate need to do so.
- 1.6 Disclosure of a transgender or gender non-conforming person's gender identity or the extent of their transition without their knowledge and consent is prohibited and considered to be a form of harassment and discrimination under the Ontario *Human Rights Code*.

2. Identification, Language, and Administrative Systems

- 2.1 Everyone has the right to define their own gender. Transgender persons should be recognized based on how they identify their gender, without reference to anatomy or whether their identity documents reflect their gender identity.
- 2.2 All persons must be referred to by their preferred name, gender and pronoun.
- 2.3 Employees have a right to update their administrative record wherever possible to match their gender identity should they wish to do so.
- 2.4 All City employees are expected to use inclusive language within the workplace and during interactions with the public. Examples of this include using gender neutral language when gender specific language is unnecessary, for example using “people” instead of “men and women,” “esteemed guests” instead of “ladies and gentlemen,” or “they” instead of “he” and “she.”

3. Collecting data on sex and gender

- 3.1 Data on sex and gender is often collected when there is little or no need to know in order to provide a product or service. Before collecting data on sex or gender, thought should be given as to whether there is a legitimate need or a legal requirement to solicit this type of data.
- 3.2 Where a legitimate need or legal requirement to collect sex and gender data has been identified, wherever it is possible the option should be made available for people to self-identify in categories that go beyond the two categories of “female” and “male.” The best practice is to allow employees to self-identity in an open text box.
- 3.3 If data will be used in demographics and analysis, or to improve service delivery, a separate demographic question may be used to identify transgender/non-binary service users (e.g. What is your gender: _____) Would you like to self-identify as: transgender, non-binary, Two-Spirit, or as a person with a history of sex/gender transition? Y/N). This information

should not be included on the individual's account or data profile, but used in the aggregate.

4. Dress code

- 4.1 All employees are entitled to dress in accordance with their gender identity or gender expression. If employees are required to wear uniforms, uniforms will be provided that reflects the employee's gender identity.

5. Washrooms and change facilities

- 5.1 The City of Hamilton will make all efforts to ensure that all employees can use washrooms with safety, privacy and dignity, regardless of their gender identity or gender expression.
- 5.2 All persons have the right to access washroom and change facilities based on their self-identified gender identity.
- 5.3 Where available, the City will provide an all-gender, single stall washroom/change room for use by any persons who desire it. The use of all-gender, single-stall washroom/change room should be an option that people may choose but should not be imposed upon an individual because of the individual's gender identity.
- 5.4 If any person has a bona fide reason to request additional privacy but private change room facilities are unavailable, accommodation will be provided on an individual basis to address the individual's needs. This may include such things as providing access to an office or a restricted area; implementing a change room schedule; redesigning existing facilities; and creating a private area within a public area (ie: separating an area with a curtain).
- 5.5 Harassment of any person in a washroom/change room based on their gender identity or gender expression, including a challenge to the person's right to access the washroom/change room space because of their gender identity or gender expression, is unacceptable. Any employee who engages in harassment will be subject to disciplinary action as outlined in the Harassment and Discrimination Prevention Policy and Personal Harassment Prevention Procedure.

- 5.6 All persons have the right to use City washroom and change room facilities without harassment, sexual harassment, voyeurism, and physical and sexual assault. In addition to any legal sanctions that these behaviours may result in, employees engaging in these behaviours are subject to disciplinary action as outlined in the Harassment and Discrimination Prevention Policy and Personal Harassment Prevention Procedure.

6. Employee Gender Transition

- 6.1 The City is supportive of employees who decide to transition. The City will provide appropriate support and accommodation to employees during their transition process upon an employee's request.
- 6.2 The City of Hamilton's Human Rights, Access and Equity Office will provide resources and support to employees beginning, and throughout, the transitioning process. Resources and supports will be determined through the collaborative development of an individualized gender transition accommodation plan.
- 6.3 Transitioning employees are entitled to express their gender identity and gender expression without fear of discrimination, harassment, or reprisal.
- 6.4 The City will work with the employee and the employee's union representative (as applicable) to develop an individualized workplace gender transition accommodation plan to identify and address accommodation steps that may be required in the workplace to support the employee's transition. This plan may include timelines and dates for when the employee will be addressed by their new name and pronoun; when employment records will be changed; when and how other employees will be informed of the change; and how management and the union will otherwise support the transitioning employee.

7. Support for Employees

- 7.1 The City's Human Rights, Access and Equity Office in Human Resources can provide employees with information, resources and support as required in order to provide high quality services to all persons and maintain an inclusive workplace environment.

- 7.2 Should employees need assistance or guidance at any time in the implementation of this Protocol, they are advised to contact Human Rights, Access and Equity as soon as possible.

Review Schedule

The Transgender and Gender Non-Conforming Protocol will be reviewed on an annual basis, in tandem with the Harassment and Discrimination Policy and the Equity and Inclusion Policy.

History

This protocol was approved by Council on XX-XX-XXXX

APPENDIX A: Glossary for understanding gender identity and expression

The definitions identified below are based primarily on the Ontario Human Rights Commission's (OHRC) Policy on Gender Identity and Gender Expression.

The City recognizes that there may be some contention around these definitions within various communities, but has adopted those from the OHRC for alignment and consistency. This list of definitions is not exhaustive, and is not intended to be a comprehensive educational review. Employees who would like more information are encouraged to consult the resources identified in Appendix B, or to contact Human Rights, Access & Equity Section of Human Resources.

Sex: the classification of people as male, female or intersex. Sex is usually assigned at birth and is based on an assessment of a person's reproductive systems, hormones, chromosomes and other physical characteristics.

Gender identity: each person's internal and individual experience of gender. It is a person's sense of being a woman, a man, both, neither, or anywhere along the gender spectrum. A person's gender identity may be the same as or different from their birth-assigned sex.

For most people, their sex and gender identity align. For some, it does not. A person may be born male but identify as a woman, or born female but identify as a man. Other people may identify outside the categories of woman/man, or may see their gender identity as fluid and moving between different genders at different times in their life.

Gender expression: how a person publicly presents or expresses their gender. This can include behaviour and outward appearance such as dress, hair, make-up, body language and voice. A person's chosen name and pronoun are also common ways people express their gender. Others perceive a person's gender through these attributes.

All people, regardless of their gender identity, have a gender expression and they may express it in any number of ways. For trans people, their chosen name, preferred pronoun and apparel are common ways they express their gender. People who are trans may also take medically supportive steps to align their body with their gender identity.

Trans or transgender: an umbrella term that describes people with diverse gender identities and gender expressions that do not conform to stereotypical ideas about what

it means to be a girl/woman or boy/man in society. “Trans” can mean transcending beyond, existing between, or crossing over the gender spectrum. It includes but is not limited to people who identify as transgender, transsexual, cross dressers or gender non-conforming (gender variant or gender queer).

“Trans” includes people whose gender identity is different from the gender associated with their birth-assigned sex. Trans people may or may not undergo medically supportive treatments, such as hormone therapy and a range of surgical procedures, to align their bodies with their internally felt gender identity.

People who have transitioned from one gender to another may simply identify as female or male. Others may also identify as trans, as a trans woman or a trans man. Some people may identify as trans and not use the labels “female” or “male.” Others may identify as existing between male and female or in different ways beyond the binary of male/female.

Trans people may identify their gender in many ways. There is no single or universal experience of what it means to be trans. As a result, different trans people face distinct forms of discrimination in society, and this may relate to whether they identify as male, female, a person with a trans history, a person in the process of transitioning, a trans man, trans woman, transsexual, or gender non-conforming.

Gender non-conforming/gender variant/gender queer:[\[1\]](#) [2] individuals who do not follow gender stereotypes based on the sex they were assigned at birth. They may identify and express themselves as “feminine men” or “masculine women” or as androgynous, outside of the categories “boy/man” and “girl/woman.” People who are gender non-conforming may or may not identify as trans.

Trans man and trans woman: A person whose sex assigned at birth is “female” and identifies as a man may also identify as a trans man (female-to-male FTM). A person whose sex assigned at birth is “male” and identifies as a woman may also identify as a trans woman (male-to-female MTF).

Transitioning: refers to a host of activities that some trans people may pursue to affirm their gender identity. This may include changes to their name, sex designation, dress, the use of specific pronouns, and possibly medically supportive treatments such as hormone therapy, sex-reassignment surgery or other procedures. There is no checklist or average time for a transition process, and no universal goal or endpoint. Each person decides what meets their needs.

“Lived” gender identity: the gender a person internally feels (“gender identity” along the gender spectrum) and publicly expresses (“gender expression”) in their daily life including at work, while shopping or accessing other services, in their housing environment or in the broader community.

Sexual orientation and gender identity are different: sexual orientation describes human sexuality, from gay and lesbian to bisexual and heterosexual orientations.^[3] A person’s gender identity is fundamentally different from and not related to their sexual orientation. Because a person identifies as trans does not predict or reveal anything about their sexual orientation. A trans person may identify as gay, lesbian, queer, straight or bisexual, just as people who do not identify as trans.

Two-Spirit: a term used by Aboriginal people to describe from a cultural perspective people who are gay, lesbian, bisexual, trans or intersex. It is used to capture a concept that exists in many different Indigenous cultures and languages. For some, the term Two-Spirit describes a societal and spiritual role that people played within traditional societies, such as: mediators, keepers of certain ceremonies, transcending accepted roles of men and women, and filling a role as an established middle gender.^[4]

Cisgender and cisnormativity: most people are “cisgender” (not trans); that is, their gender identity is in line with or “matches” the sex they were assigned at birth. Cisnormativity (“cis” meaning “the same as”) refers to the commonplace assumption that all people are cisgender and that everyone accepts this as “the norm.” The term is used to describe prejudice against trans people that is less overt or direct and more widespread or systemic in society, organizations and institutions. This form of systemic prejudice may even be unintentional and unrecognized by the people or organizations responsible.

Transphobia: the aversion to, fear or hatred or intolerance of trans people and communities. Like other prejudices, it is based on stereotypes and misconceptions that are used to justify discrimination, harassment and violence toward trans people.

^[1] Gender queer: “those who identify their gender outside of traditional gender categories and may not identify as either trans men or trans women. Some gender queer individuals pursue medical transition options and some do not.” Pyne, *supra* note 34, at 9.

^[2] While the OHRC combines the terms Gender non-conforming/gender variant/gender queer in their definitions, the City of Hamilton recognizes that these terms are unique, different and not synonymous.

^[3] Sexual orientation is also a protected ground under the *Code*

^[4] 2-Spirited People of the 1st Nations, *Our Relatives Said: A Wise Practices Guide* (2008) online: 2-Spirited People of the 1st Nations, www.2spirits.com.

APPENDIX B: Additional Resources

City of Hamilton
Human Resources Division
Human Rights, Access & Equity Section
905.546.2424 ext. 8080 or 6134

Guiding Legislation:

The Ontario *Human Rights Code*
<https://www.ontario.ca/laws/statute/90h19>

Canadian Charter of Rights and Freedoms
<http://laws-lois.justice.gc.ca/eng/const/page-15.html>

For Further Information on Gender Identity and Gender Expression:

Policy on Preventing Discrimination Because of Gender Identity and Gender Expression
<http://www.ohrc.on.ca/en/policy-preventing-discrimination-because-gender-identity-and-gender-expression>

Questions and Answers about Gender Identity and Pronouns
<http://www.ohrc.on.ca/en/questions-and-answers-about-gender-identity-and-pronouns>

Creating Authentic Spaces: A Gender Identity and Gender Expression Toolkit to Support the Implementation of Institutional and Social Change
<http://www.the519.org/news/gender-expression-toolkit>

APPORTIONMENT OF TAXES

That the original land taxes recorded against:

(a) Roll #2518 050 391 00040 0000 – (100-144 Burland Crescent, Hamilton) in the amount of \$82,621 be split amongst the two newly created lots listed below:

YEAR	ADDRESS	ROLL NUMBER	APPORTIONED ASSESSMENT	TAX AMOUNT
2016	100-140 Burland Cres.	2518 050 391 00040 0000	1,417,000	\$69,772
2016	144 Burland Cres.	2518 050 391 00010 0000	241,000	12,848
		Total	1,658,000	\$82,621

(b) Roll #2518 080 971 05000 0000 and Roll #2518 080 971 05060 0000 and Roll #2518 080 971 09040 0000 – (794 West 5th Street, Hamilton, and 810 West 5th Street, Hamilton, and 0 Springvalley Crescent, Hamilton) in the amount of \$20,794 be split amongst the thirty-seven newly created lots listed below:

YEAR	ADDRESS	ROLL NUMBER	APPORTIONED ASSESSMENT	TAX AMOUNT
2016	97 Springvalley Cres.	2518 080 971 05061 0000	54,291	\$ 446
2016	99 Springvalley Cres.	2518 080 971 05062 0000	53,216	438
2016	101 Springvalley Cres.	2518 080 971 05063 0000	53,216	438
2016	103 Springvalley Cres.	2518 080 971 05064 0000	53,216	438
2016	105 Springvalley Cres.	2518 080 971 05065 0000	53,216	438
2016	107 Springvalley Cres.	2518 080 971 05066 0000	53,216	438
2016	109 Springvalley Cres.	2518 080 971 05067 0000	53,216	438
2016	111 Springvalley Cres.	2518 080 971 05068 0000	59,129	486
2016	3 Saint Anthony Pl.	2518 080 971 05069 0000	65,042	535
2016	7 Saint Anthony Pl.	2518 080 971 05070 0000	64,504	531
2016	11 Saint Anthony Pl.	2518 080 971 05071 0000	70,955	584
2016	15 Saint Anthony Pl.	2518 080 971 05072 0000	71,492	588
2016	20 Saint Anthony Pl.	2518 080 971 05073 0000	67,192	552
2016	16 Saint Anthony Pl.	2518 080 971 05074 0000	69,342	570
2016	12 Saint Anthony Pl.	2518 080 971 05075 0000	66,655	548
2016	8 Saint Anthony Pl.	2518 080 971 05076 0000	63,967	526
2016	4 Saint Anthony Pl.	2518 080 971 05077 0000	63,967	526

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2016	156 Springvalley Cres.	2518 080 971 05078 0000	55,904	460
2016	154 Springvalley Cres.	2518 080 971 05079 0000	49,453	407
2016	152 Springvalley Cres.	2518 080 971 05080 0000	49,453	407
2016	150 Springvalley Cres.	2518 080 971 05081 0000	49,453	407
2016	148 Springvalley Cres.	2518 080 971 05082 0000	49,453	407
2016	146 Springvalley Cres.	2518 080 971 05083 0000	48,916	402
2016	144 Springvalley Cres.	2518 080 971 05084 0000	48,916	402
2016	142 Springvalley Cres.	2518 080 971 05085 0000	53,754	442
2016	140 Springvalley Cres.	2518 080 971 05086 0000	53,236	438
2016	138 Springvalley Cres.	2518 080 971 05087 0000	48,378	398
2016	136 Springvalley Cres.	2518 080 971 05088 0000	48,378	398
2016	134 Springvalley Cres.	2518 080 971 05089 0000	48,378	398
2016	132 Springvalley Cres.	2518 080 971 05090 0000	48,378	398
2016	130 Springvalley Cres.	2518 080 971 05091 0000	48,378	398
2016	128 Springvalley Cres.	2518 080 971 05092 0000	48,378	398
2016	126 Springvalley Cres.	2518 080 971 05093 0000	53,216	438
2016	100 Springvalley Cres.	2518 080 971 05094 0000	56,441	464
2016	98 Springvalley Cres.	2518 080 971 05095 0000	56,441	464
2016	120 Springvalley Cres.	2518 080 971 05096 0000	569,255	4,682
2016	0 Springvalley Cres.	2518 080 971 05097 0000	8,009	66
		Total	2,528,000	\$20,794

(c) Roll #2518 901 340 34782 0000 – (132-142 Kinsman Dr., Binbrook) in the amount of \$2,787 be split amongst the six newly created lots listed below:

YEAR	ADDRESS	ROLL NUMBER	APPORTIONED ASSESSMENT	TAX AMOUNT
2016	142 Kinsman Dr.	2518 901 340 34782 0000	41,632	\$ 483
2016	140 Kinsman Dr.	2518 901 340 34820 0000	39,183	455
2016	138 Kinsman Dr.	2518 901 340 34821 0000	39,187	456
2016	136 Kinsman Dr.	2518 901 340 34822 0000	39,183	455
2016	134 Kinsman Dr.	2518 901 340 34823 0000	39,183	455
2016	132 Kinsman Dr.	2518 901 340 34824 0000	41,632	483
		Total	240,000	\$2,787

(d) Roll #2518 901 340 34782 0000 – (132-142 Kinsman Dr., Binbrook) that the payment in the amount of \$982 be split amongst the six newly created lots listed below:

YEAR	ADDRESS	ROLL NUMBER	APPORTIONED ASSESSMENT	PAYMENT AMOUNT
2016	142 Kinsman Dr.	2518 901 340 34782 0000	41,632	\$ 191
2016	140 Kinsman Dr.	2518 901 340 34820 0000	39,183	160
2016	138 Kinsman Dr.	2518 901 340 34821 0000	39,187	151
2016	136 Kinsman Dr.	2518 901 340 34822 0000	39,183	168
2016	134 Kinsman Dr.	2518 901 340 34823 0000	39,183	152
2016	132 Kinsman Dr.	2518 901 340 34824 0000	41,632	160
		Total	240,000	\$982

(e) Roll #2518 901 340 04302 0000 – (1-41 Finton Lane, Binbrook) in the amount of \$8,675 be split amongst the twenty-one newly created lots listed below:

YEAR	ADDRESS	ROLL NUMBER	APPORTIONED ASSESSMENT	TAX AMOUNT
2016	41 Finton Lane	2518 901 340 04321 0000	37,615	\$ 436
2016	39 Finton Lane	2518 901 340 04322 0000	35,633	413
2016	37 Finton Lane	2518 901 340 04323 0000	35,109	408
2016	35 Finton Lane	2518 901 340 04324 0000	35,109	408
2016	33 Finton Lane	2518 901 340 04325 0000	34,585	402
2016	31 Finton Lane	2518 901 340 04326 0000	35,109	408
2016	29 Finton Lane	2518 901 340 04327 0000	37,598	436
2016	27 Finton Lane	2518 901 340 04328 0000	36,550	424
2016	25 Finton Lane	2518 901 340 04329 0000	35,109	408
2016	23 Finton Lane	2518 901 340 04330 0000	35,109	408
2016	21 Finton Lane	2518 901 340 04331 0000	35,109	408
2016	19 Finton Lane	2518 901 340 04332 0000	35,109	408
2016	17 Finton Lane	2518 901 340 04333 0000	34,585	402
2016	15 Finton Lane	2518 901 340 04334 0000	37,074	430
2016	13 Finton Lane	2518 901 340 04335 0000	37,074	430
2016	11 Finton Lane	2518 901 340 04336 0000	34,585	402

2016	9 Finton Lane	2518 901 340 04337 0000	34,585	402
2016	7 Finton Lane	2518 901 340 04338 0000	34,585	402
2016	5 Finton Lane	2518 901 340 04339 0000	35,109	408
2016	3 Finton Lane	2518 901 340 04340 0000	34,585	402
2016	1 Finton Lane	2518 901 340 04341 0000	37,074	430
		Total	747,000	\$8,675

Map identifying 100-144 Burland Crescent, Hamilton;



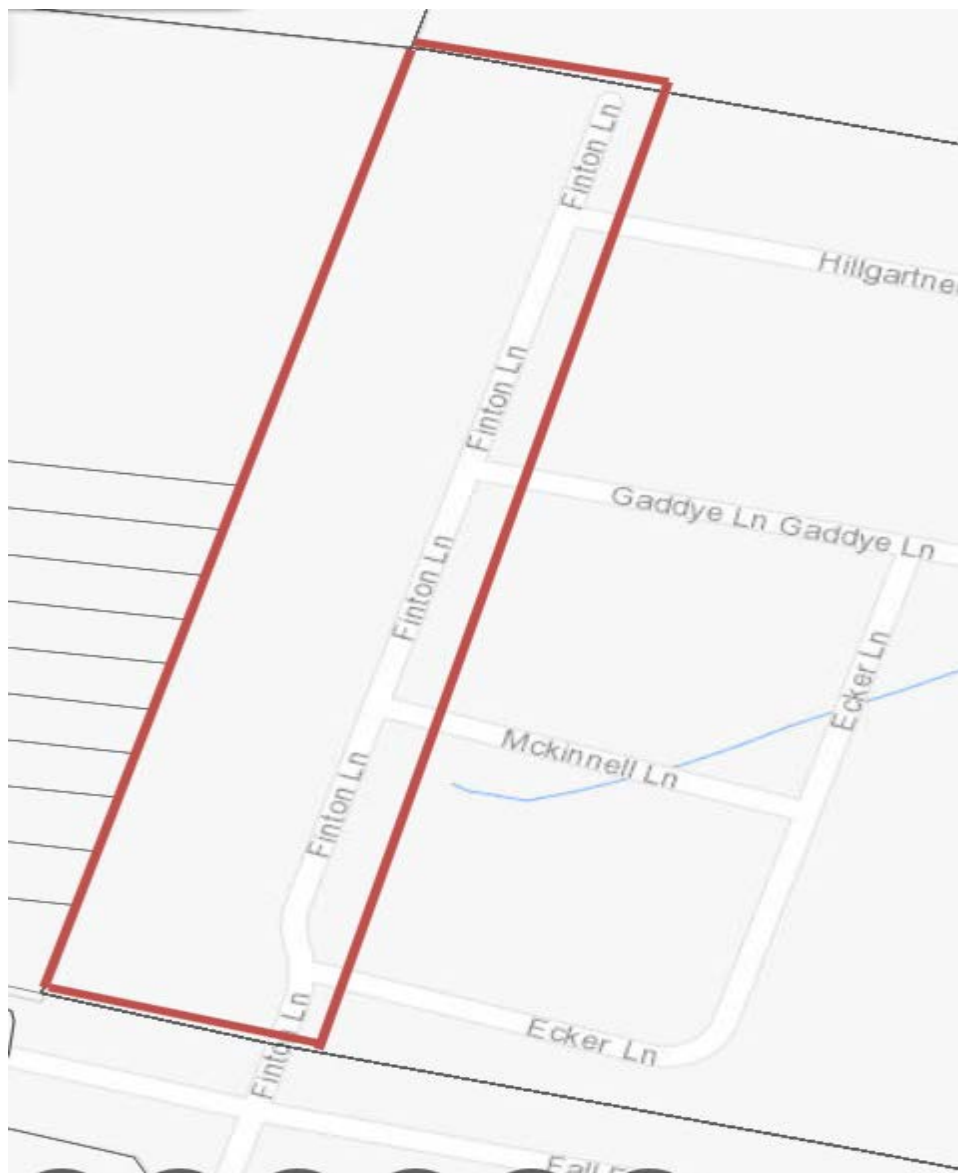
Map identifying 97-156 Springvalley Cres., 3-20 Saint Anthony Pl., Hamilton;



Map identifying 132-142 Kinsman Dr., Binbrook;



Map identifying 1-41 Finton Ln., Binbrook;



**CITY OF HAMILTON
2017 PROPERTY AND LIABILITY INSURANCE RENEWAL
COVERAGES AND LIMITS**

TYPE OF COVERAGE	COVERAGE	DEDUCTIBLE
Municipal Liability	*5,000,000	250,000
Errors & Omissions Liability	Included	
Non Owned Auto	Included	
Excess Liability	Included	
Municipal Conflict of Interest	100,000	
Legal Expense	250,000	
Comprehensive Crime	10,000,000	25,000
Crime Excess	Included	
Property	\$2.54 Billion Replacement Value	500,000
Boiler	Included	100,000
City Auto	*5,000,000	500,000
Garage Liability Insurance	*5,000,000	
Environmental Impairment Liability (including WWTP)	10,000,000	500,000
Terrorism	As per schedule \$43,000,000	\$500,000
HSR Rolling Stock (Transit)	(Included in Property)	50,000
HSR Auto Fleet	*5,000,000	100,000
Excess Umbrella* Excess over; General Liability, City Auto Fleet, HSR Auto Fleet, Garage Auto Liability	*45,000,000	NIL

CITY OF HAMILTON 2017 PROPERTY AND LIABILITY INSURANCE RENEWAL INSURANCE PREMIUM COMPARISON		
	2016-2017	2017-2018
Total of all policies (Net of Taxes)	\$4,070,240	\$4,259,589
Taxes	\$155,583	\$158,499
Grand Total	\$4,225,823	\$4,418,088

City of Hamilton
Corporate Services Department
Taxation Division
Section 357 Tax Appeals of the *Municipal Act, 2001*

357-13-271	55 Rymal Rd E	Demolition handled through Section 40 appeal	2013	0.00
357-14-331	2 Castlewood Blvd	Exempt request for cell tower that has not been assessed	2014	0.00
357-14-332	634 Valens Rd	Fire completely destroyed building	2014	-259.98
357-15-011	150 Hillyard St	Demolition of buildings 28 & 28b	2015	-9,670.49
357-15-035	465 Melvin Ave	Tax Class Conversion from commercial to residential	2015	-3,100.14
357-15-125	502-544 Centennial Pkwy N	Exempt the space rented by Hamilton Health Sciences	2015	-10,034.88
357-15-206	671 Tate Ave	Tax Class Conversion should be under the residence tax class	2015	-4,578.22
357-15-278	71-75 Burford Rd	MPAC double assessed property at new commercial (XTN) and left on old commercial (CTN)	2015	-19,293.89
357-15-279	75 Burford Rd	Gross or Manifest Error CTN rate and value on account in error	2015	-7,169.34
357-15-286	24 King St E	Demolition denied shell of building still standing	2013	0.00
357-15-287	28 King St E	Demolition denied shell of building still standing	2013	0.00
357-15-309	1055 King St E	Demolition of Scott Park School no tax dollars involved	2015	0.00
357-15-311	501 Upper Sherman Ave	Major Renovations denied handled through Section 364	2015	0.00
357-15-329	29 Dunbar Ave	Demolition of two structures on the premises	2015	-239.88
357-15-333	1725 Stone Church Rd E	Gross or Manifest Error owner requested farm status no evidence of farming	2015	0.00

City of Hamilton
Corporate Services Department
Taxation Division
Section 357 Tax Appeals of the *Municipal Act, 2001*

357-15-333(a)	140 Mud St	Gross or Manifest Error owner requested farm statues no evidence of farming	2015	0.00
357-15-334	130 Mud St	Gross or Manifest Error owner requested farm statues no evidence of farming	2015	0.00
357-15-336	676 Rymal Rd E	Tax Class Conversion to part of commercial space converted to residential	2015	-1,360.70
357-15-337	220 Cranbrook Dr	Major Renovations being handled through Section 364	2015	0.00
357-15-340	101 Osler Dr	Gross or Manifest Error denied will be addressed through ARB hearing	2015	0.00
357-15-344	1064 Highway 6 N	Gross or Manifest Error denied no evidence provided to suggest an error	2015	0.00
357-15-350	1056 Highway 6 N	Gross or Manifest Error building was deemed obsolete in 15 reflected on MOS	2015	0.00
357-16-005	71 Main St W	Tax Class Conversion CU left premised are converted back to Exempt	2016	0.00
357-16-005a	71 Main St W	Tax Class Conversion CU left premised are converted back to Exempt	2016	-737.79
357-16-040	147 Mountain Park Ave	Demolition of 2 storey single family dwelling	2016	-2,240.46
357-16-055	220 Cranbrook Dr	Major Renovations being handled through Section 364	2016	0.00
357-16-125	427 Book Rd E	Fire burned the house to the ground remains demolished	2016	-322.88
357-16-127	1862 Centre Rd	Demolition of inground pool	2016	-243.87
357-16-137	1289-1305 Highway 5 W	Demolition of 1 storey repair garage	2016	-955.01
357-16-138	906 Concession 6 W	Demolition of house, detached garage and barn	2016	-416.38

City of Hamilton
Corporate Services Department
Taxation Division
Section 357 Tax Appeals of the *Municipal Act, 2001*

357-16-139	1833 Concession 6 W	Demolition denied there are no buildings assessed on this roll number	2016	0.00
357-16-179	112 East 44th St	Demolition of single family dwelling new home under construction	2016	-215.90
357-16-180	148 Belmont Ave	Fire causing significant damage	2016	-216.45
357-16-185	Sullivan's Lane	Exempt this is a laneway	2016	-192.52
357-16-188	0 Braeheid Ave	Gross or Manifest Error no valid two pins in different names	2016	0.00
357-16-190	105 George St	Tax Class Conversion for new residential unit in the basement	2016	-1,825.81
357-16-192	435 Herkimer St	Fire on premised house is boarded up	2016	-396.37
357-16-200	146 Belmont Ave	Fire of single family dwelling	2016	-126.03
357-16-201	191 Grenfell St	Fire single family dwelling razed by the fire	2016	-128.50
357-16-202	90 Tragina Ave S	Demolition of inground pool	2016	-77.22
357-16-205	45 Manning Ave	Demolition of inground pool	2016	-232.35
357-16-212	82 Parkside Dr	Demolition of house and garage	2016	-1,291.21
357-16-215	63 Chedoke Ave	Gross or Manifest Error omit billed in error renovations not completed	2016	-478.39
357-16-216	166 Bay St N	Tax Class Conversion on part of the structure converted to residential	2016	-845.75
357-16-218	29 Dunbar Ave	Demolition of buildings 5 & 6	2016	-1,459.88

City of Hamilton
Corporate Services Department
Taxation Division
Section 357 Tax Appeals of the *Municipal Act, 2001*

357-16-219	36 Tally Ho Dr	Demolition of original house	2016	-649.11
357-16-220	166 Hillcrest Ave	Gross or Manifest Error incorrect square foot recorded house is on 1052 sq ft	2016	-766.47
357-16-224	72 Margaret St	Demolition of single family dwelling	2016	-353.35
357-16-226	0 Carl Cres	Demolition of pumping station	2016	-1,158.86
357-16-227	1570 Main St E	Demolition of structure but no value attributed to the structure on the roll	2016	0.00
357-16-229	150 Mill St S	Demolition of pump house	2016	-4,498.14
357-16-232	801 Rymal Rd E	Demolition of original structure new home 80% completed	2016	-642.13
357-16-236	743 Upper Wellington St	Demolition of original structure new home 90% completed	2016	-362.86
357-16-244	148 Lowden Ave	Demolition of single family dwelling a new custom home is under construction	2016	-776.06
357-16-248	125 Central Ave	Demolition of original structure new home underway	2016	-192.49
357-16-249	88 Valleyview Dr	Demolition of 1 storey single family house	2016	-877.76
357-16-250	24 Parker Ave	Demolition of 1 ½ storey single family house	2016	-629.19
357-16-251	16 Oakley Ct	Demolition of single family dwelling	2016	-337.84
357-16-252	185 Millen Rd	Demolition of structures new building is 50% completed	2016	-331.55
357-16-253	315 Mapledene Dr	Demolition of one storey single family dwelling	2016	-131.25

City of Hamilton
Corporate Services Department
Taxation Division
Section 357 Tax Appeals of the *Municipal Act, 2001*

357-16-254	81 Durham Rd	Demolition of 2 storey single family dwelling	2016	-581.69
357-16-256	58 Seneca Dr	Demolition of 1 storey single family dwelling	2016	-453.81
357-16-258	343 Emerald St N	Demolition on single family dwelling new building 20% completed	2016	-91.90
357-16-259	8 West Ave	Demolition of single family dwelling new building 30% completed	2016	-406.04
357-16-260	12 Brentwood Dr	Demolition of 1 storey single family dwelling	2016	-525.29
357-16-261	347 Robina Rd	Demolition of one storey single family dwelling	2016	-106.11
357-16-263	651 Hiawatha Blvd	Demolition of one storey single family dwelling	2016	-527.81
357-16-265	979 Governors Rd	Demolition of single family dwelling built in 1956	2016	-850.20
357-16-266	1 Lloyd St	Demolition of single family dwelling	2016	-373.82
357-16-267	731 Montgomery Dr	Demolition of single family dwelling	2016	-379.13
357-16-268	915 Courtland Dr	Demolition of single family home, the shed is still standing, new home started	2016	-540.64
357-16-269	800 Mud St	Demolition of single family home	2016	-661.30
357-16-270	374 Woodworth Dr	Demolition of 2 storey single family house	2016	-156.88
357-16-271	648 Iroquois Ave	Demolition of single family home	2016	-360.04
357-16-272	1272 Fiddlers Green	Demolition of two storey single family house	2016	-135.89

City of Hamilton
Corporate Services Department
Taxation Division
Section 357 Tax Appeals of the *Municipal Act, 2001*

357-16-291	385 Burlington St E	Tax Class Conversion land lease of space reduced	2016	38.35
357-16-291	385 Burlington St E	Tax Class Conversion land lease of space reduced	2016	-54.79
357-16-292	450 Sherman Ave N	Tax Class Conversion Trade Links lease cancelled	2016	77.44
357-16-292	450 Sherman Ave N	Tax Class Conversion Trade Links lease cancelled	2016	-74.45
357-16-306	148 Gatestone Dr	Gross or Manifest Error incorrect square footage recorded	2016	-101.70
357-16-317	20 Rifle Range Rd	Demolition of all structures including the paved parking lot	2016	-3,092.53
357-16-334	287 Old Guelph Rd	Demolition of old school no \$\$\$ involved correction to the roll	2016	0.00
			TOTAL	-89,175.58

City of Hamilton
Corporate Services Department
Taxation Division
Section 358 Tax Appeals of the *Municipal Act, 2001*

358-15-075	71-75 Burford Rd	Gross or Manifest Error to remove CT portion left on the roll in error	2014	-19,082.69
358-15-074	71-75 Burford Rd	Gross or Manifest Error to remove CT portion left on the roll in error	2013	-19,060.96
358-15-076	75 Burford Rd	Gross or Manifest Error to remove CT portion left on the roll in error	2013	-7,261.03
358-15-077	75 Burford Rd	Gross or Manifest Error to remove CT portion left on the roll in error	2014	-7,178.54
358-16-020	301 Fruitland Rd	Gross or Manifest Error denied property is being addressed through ARB	2015	0.00
358-16-021	301 Fruitland Rd	Gross or Manifest Error denied property is being addressed through ARB	2014	0.00
358-16-047	0 Braeheid	Gross or Manifest Error denied 2 pins two owners cannot be consolidated	2015	0.00
358-16-048	0 Braeheid	Gross or Manifest Error denied 2 pins two owners cannot be consolidated	2014	0.00
358-16-049	105 George St	Gross or Manifest Error denied judgement was based on information rec'd	2015	0.00
358-16-090	210 Westbank Trail	Gross or Manifest Error on 2015 omitted assessment	2015	-470.96
358-16-051	45 Manning Ave	Gross or Manifest Error inground pool removed in 12 still on the roll	2015	-228.88
358-16-052	45 Manning Ave	Gross or Manifest Error inground pool removed in 12 still on the roll	2014	-223.24
358-16-055	1862 Centre Rd	Gross or Manifest Error inground pool removed in 2014	2015	-238.42
358-16-056	166 Hillcrest Ave	Gross or Manifest Error incorrect square footage recorded	2015	-749.82
358-16-057	166 Hillcrest Ave	Gross or Manifest Error incorrect square footage recorded	2014	-723.84
358-16-058	832 Concession St	Gross or Manifest Error roll created in error	2015	-99.48
358-16-062	148 Gatestone Dr	Gross or Manifest Error incorrect square footage recorded	2015	-77.15
358-16-062(a)	148 Gatestone Dr	Gross or Manifest Error incorrect square footage recorded	2014	-51.58
			TOTAL	-55,446.59

**CITY OF HAMILTON
INTERNAL AUDIT REPORT 2015-11
PUBLIC WORKS – CAPITAL PROJECTS CONTRACT REVIEW**

OBSERVATIONS OF EXISTING SYSTEM	RECOMMENDATION FOR STRENGTHENING SYSTEM	MANAGEMENT ACTION PLAN
<p><u>Procedures and Guidelines – Liquidated Damages</u> Construction Services (CS) is responsible for the management of all construction projects undertaken by the City (e.g. roads, water mains, sewers, etc.). CS has documented the process followed in its Project Management Flow Chart and Procedures.</p> <p>The procedures do not include guidelines for claiming Liquidated Damages (LD) against a contractor.</p> <p>Without documented procedures, LD may not be claimed consistently from contractors that fail to complete contracts on time, resulting in overpayments.</p> <p>In one of the reviewed projects, the contract deliverable was 269 days overdue. The City could have recovered up to \$269,000 in LD, but the contractor was not assessed LD by the City.</p>	<p>1. That procedures be developed to provide a step by step process for the calculation and application of Liquidated Damages as they relate to contracts undertaken by the Construction Services Section including appropriate management authorization and documentation when deciding not to pursue potentially large Liquidated Damage amounts.</p>	<p>Agreed. The application of liquidated damages (LD) is a decision that the team arrives at as the project nears completion. The LD special provision sets out the upper limit of what the City can charge and staff must take into account weather, drawing inaccuracies, changed ground conditions, extra work added to the contract, Contractor cooperation and the workforce applied to the project. Construction Services will formalize and document this process. Anticipated completion date: Q2 2017.</p>

**PUBLIC WORKS – CAPITAL PROJECTS CONTRACT REVIEW
DECEMBER 2016**

OBSERVATIONS OF EXISTING SYSTEM	RECOMMENDATION FOR STRENGTHENING SYSTEM	MANAGEMENT ACTION PLAN
<p><u>Procedures and Guidelines Not Current</u> Project management procedures and related flowcharts were developed in 2005 and last revised in 2010.</p> <p>Other procedures and guidelines that have not been reviewed and updated recently are Form 200* (last updated January 2011), Form 300** (last updated June 2006) and the Contract Inspector's Manual (last update was not noted on the manual).</p> <p>These documents have not been reviewed and updated for over five years and there is no specified review frequency. Procedures that are not reviewed and updated regularly become obsolete and provide no meaningful guidance to staff.</p> <p>*Form 200 – General Conditions (of construction) **Form 300 – General Construction Requirements (includes materials and specifications) These forms contain standards for the construction of roads, sewers and watermains.</p>	<p>2. That Engineering Services ensure that its procedures and guidelines are reviewed regularly, revised and approved by management as needed so that they remain current and useful.</p>	<p>Agreed. Construction Services reviews and updates the Inspector Field Manual annually and the Project Manager Manual is currently being reviewed and updated. Construction and Design Services review Form 300 on an annual basis and an update will be issued this year. With respect to Form 200, Construction and Design Services will bring this observation forward to the Construction Working Group. Anticipated implementation date: Q2 2017.</p>

**PUBLIC WORKS – CAPITAL PROJECTS CONTRACT REVIEW
DECEMBER 2016**

OBSERVATIONS OF EXISTING SYSTEM	RECOMMENDATION FOR STRENGTHENING SYSTEM	MANAGEMENT ACTION PLAN
<p><u>Change Orders</u> Work that is in addition to or differs from that specified in the contract is often referred to as a Change Order (CO). To ensure that Change Orders are reasonable and the type of work is warranted, the contractor must complete a Change Order Form and submit the appropriate supporting documentation in a manner and by a timeline specified in the City's Forms 200 and 300 (see definition on page 2). Depending on the amount, the Change Order form itself must be authorized by a manager with the appropriate signing authority.</p> <p>Two contracts were reviewed and both were problematic. One contract, with a value of \$1.3M and CO totalling \$150K, had a number of errors and oversights that rendered the internal controls of the Change Order process ineffective. These include:</p> <ul style="list-style-type: none"> • Three of the four COs examined that are part of the project under review had not been approved by the Manager with the proper signing level; • Errors were noted in six of the seven expense calculations supporting one of the four COs; and • Zero of the four invoices that relate to the COs were submitted within the required 30 days after the work was completed. 	<p>3. That Finance return Change Orders that have not been approved by the appropriate management level to Construction Services for proper authorization and not process payment.</p> <p>4. That prior to approving COs the Project Manager responsible for the contract verify all calculations and ensure that the contractor has submitted the COs on time.</p>	<p>Agreed. These changes have already been implemented.</p> <p>Agreed. These changes have already been implemented.</p>

**PUBLIC WORKS – CAPITAL PROJECTS CONTRACT REVIEW
DECEMBER 2016**

OBSERVATIONS OF EXISTING SYSTEM	RECOMMENDATION FOR STRENGTHENING SYSTEM	MANAGEMENT ACTION PLAN
<p><u>Change Orders (Cont'd)</u></p> <p>The second contract had a value of \$2.4M and COs totalling \$564K. On two occasions in this contract COs totalling more than \$100,000 were divided into three smaller COs and were approved by a Manager within their lower signing authority. This circumvents internal controls as managers with larger spending limits may not have been informed of these large dollar changes to a contract in a timely manner.</p> <p>Change orders are modifications to the original purchase order contract and/or tender that was agreed to by the City and the successful proponent.</p> <p>Having effective internal controls in the change order process is critical. The city's capital budget annually is hundreds of millions of dollars. A significant portion of this annual capital budget is for construction projects.</p> <p>Ineffective internal controls over change orders unnecessarily exposes the City to construction contractors submitting low bids to become the successful proponent for contracts and then attempt to increase their billings via change orders once a contract has been secured. Having strong controls over the change order process is critical to the overall containment of costs for construction projects.</p>	<p>5. That it be communicated that signing authority limits are to be adhered to by Construction Services staff and management for all change orders.</p> <p>6. That methods be put in place to detect if signing authority limits are being circumvented. This could include management review at periodic intervals, at prescribed cumulative thresholds, or other similar measures.</p>	<p>Agreed. This will be reviewed and reinforced at staff meetings effective immediately. Anticipated implementation date: Q1 2017.</p> <p>Agreed. Currently, all progress payments are reviewed and signed by management. Periodic reviews will be undertaken through the project variance report effective immediately. Anticipated implementation date: Q1 2017.</p>

**PUBLIC WORKS – CAPITAL PROJECTS CONTRACT REVIEW
DECEMBER 2016**

OBSERVATIONS OF EXISTING SYSTEM	RECOMMENDATION FOR STRENGTHENING SYSTEM	MANAGEMENT ACTION PLAN
<p><u>Cost Allocations</u> In order to obtain a true and full cost of the capital projects, relevant departmental operating costs are allocated to the capital projects. The allocation basis is the percentage of time spent by the various Engineering Services (ES) staff on different types of contracts and the type of work being performed (e.g. roads, watermains, sewers, etc.).</p> <p>While ES has developed a formalized Cost Recovery Process and Methodology, further detail about how this process should occur is needed. With the current document inconsistent cost allocations have occurred for both allocation of time and types of costs:</p> <p>Time allocation – the percentage of time spent by ES staff on various types of capital projects utilized in the allocation model is an approximation and cannot be verified for how accurately it reflects actual time spent on projects. Without detailed support for the allocation, this practice reduces the degree of accuracy of expenditures against budget.</p> <p>Costs – during the audit it was found that for one year, costs were being charged to Roads projects from a section that had nothing to do with Roads (Director-Strategic Planning in Public Works). The following year these costs were not allocated to Roads projects.</p>	<p>7. That Engineering Services and Finance update the Cost Recovery and Process Methodology to provide additional detail and guidelines for the appropriate allocation of operating costs to capital projects. This procedure needs to be approved by management, reviewed periodically and revised as necessary.</p> <p>8. That periodic reviews (once every three to five years) be performed by Engineering Services, to verify the percentage of time spent by staff on various capital projects, and that this data be used to update the allocation model.</p>	<p>Agreed. The General Manager agreed with Audit Services' recommendation. The procedure will be reviewed and updated accordingly. Anticipated completion date: Q4 2017. Lead: Pat Leishman.</p> <p>Agreed. The General Manager agreed with Audit Services' recommendation. While reviews are currently performed annually, there is an opportunity to document this process. Anticipated completion date: Q4 2017. Lead: Pat Leishman.</p>

**PUBLIC WORKS – CAPITAL PROJECTS CONTRACT REVIEW
DECEMBER 2016**

OBSERVATIONS OF EXISTING SYSTEM	RECOMMENDATION FOR STRENGTHENING SYSTEM	MANAGEMENT ACTION PLAN
<p><u>Project Deficiencies</u> A list of the project deficiencies discovered during the two year warranty period is prepared by the Project Manager (PM) and the Contract Inspector (CI) in Construction Services (CS), and a copy is provided to the contractor responsible for the project.</p> <p>The following issues were noted with the Project Deficiencies process during one of the contracts that was reviewed:</p> <p>a. There is no standard form or log based on the tender document for the deficiency list produced. This increases the risk that that some aspects of the project were overlooked during the inspection process.</p> <p>b. The deficiencies noted on one of the contracts reviewed by Audit Services had not been corrected even though in one case five months had lapsed and in a second case seven months had lapsed since the site's final inspection.</p> <p>c. Final Acceptance Letters are not issued promptly. In one case the Final Acceptance Letter had not been issued five months after the final inspection was performed and no deficiencies had been identified.</p>	<p>9. That Construction Services develop standardized Project Deficiency Logs to be used by all CI and PM when performing final inspections. These logs should be retained as part of the contract file.</p> <p>10. That Construction Services follow up with the contractor when delays in correcting deficiencies exceed 90 days and evaluate the legitimacy of the delay. The Vendor Evaluation process with Procurement should be utilized if the contractor is not complying with the contract terms.</p> <p>11. That Final Acceptance Letters be issued no later than 30 days after deficiencies have been corrected.</p>	<p>Agreed. Construction Services will review and update existing forms and documents. Anticipated completion date: Q2 2017.</p> <p>Agreed. Construction Services will follow the recommended process, as required, effective immediately. Anticipated implementation date: Q1 2017.</p> <p>Agreed. Construction Services will review current practices, agree on a timeline to issue these letters and incorporate this expectation into the Project Manager Manual. Anticipated completion date: Q2 2017.</p>

**PUBLIC WORKS – CAPITAL PROJECTS CONTRACT REVIEW
DECEMBER 2016**

OBSERVATIONS OF EXISTING SYSTEM	RECOMMENDATION FOR STRENGTHENING SYSTEM	MANAGEMENT ACTION PLAN
<p><u>Project Quality Assurance</u> Contract Inspectors (CIs) are issued project diaries and quantity books to track the progress and quality of the work performed as well as the quantity of the materials used by the contractor.</p> <p>CIs then use the information reported in the diaries and quantity books to prepare Material Sheets that are forwarded to the Project Manager. The Material Sheets are used by the Project Manager to validate the quantity and quality of the work before the Progress Payments are issued to the contractor.</p> <p>For one of the contracts reviewed by Audit Services, all of the Progress Payments were approved and paid without the Contract Inspector completing the diaries, quantity books and the Materials Sheets.</p> <p>There is evidence that the Contract Inspector retained a notebook to record the materials and quantities, but this information was not presented to the Project Manager for review or in a formal project diary prior to the issuance of Progress Payments for this contract.</p> <p>Progress payments were issued before appropriate evidence was provided that the work was completed, or for material quantities that were not used due to this internal control weakness in the project quality assurance process. Given the large dollar value of capital projects that occur every year, the project quality assurance process is a critical component of the cost control process.</p>	<p>12. That Construction Services management perform periodic reviews of Contract Inspectors project diaries, and quantity books to ensure that they are up to date and performance manage and discipline staff that are not compliant as appropriate per the applicable collective bargaining agreement and HR policies.</p> <p>13. That Project Managers should not approve Progress Payments without reviewing project diaries and quantity books and supporting Material Sheets, and ensuring that these support the quantities indicated on the Progress Payments. Staff that do not follow this process should be performance managed and disciplined per the applicable collective bargaining agreement and HR policies.</p>	<p>Agreed. These changes will take effect immediately. Anticipated implementation date: Q1 2017.</p> <p>Agreed. This will be reviewed and reinforced with staff effective immediately. Anticipated implementation date: Q1 2017.</p>

**CITY OF HAMILTON
AUDIT REPORT 2013-11
CONSTRUCTION CONTRACTS REVIEW
FOLLOW UP**

OBSERVATIONS OF EXISTING SYSTEM	RECOMMENDATION FOR STRENGTHENING SYSTEM	MANAGEMENT ACTION PLAN	FOLLOW UP (MARCH 2016)
<p><u>Extra Work and Change Orders</u> The construction contracts agreed to between the City and the contractor specify the work to be performed at specific geographic locations. Similarly, a formal purchase order is also created between the contractor and the City specifying the same geographic location where the work is to be performed.</p> <p>Both construction contracts reviewed included extra work and/or change orders, some of which were necessary to accommodate work by the same contractor but carried out at a different location than that stipulated in the original contract and corresponding purchase order.</p> <p>For one of the two projects reviewed, the value of the work at the different location totaled \$285,000. This represented approximately 11% of the value of the total work performed under that Purchase Order. As the work at this different location exceeded \$100,000 and there was neither a separate purchase order nor a written legal agreement for this work, the project violated the City's Procurement Policy #7. The inclusion of work not related to the original contract in these projects' costs results in inaccurate contract costing and reporting as well as making further analysis time consuming.</p>	<p>1. That the status of funding sources and expenditures for individual projects be disclosed in regular Council reporting along with reasons for the completed project surplus or deficit and details of extra work and/or change orders.</p> <p>2. That the City's Procurement Policy requiring both a purchase order and the written legal agreement for construction contracts of \$100,000 or greater be adhered to when assigning extra work and/or change orders to contractors.</p>	<p>Agreed. Contract Status is reported to standing committees on a regular basis. This disclosure will be added to that reporting. To start with the June 2014 reporting cycle.</p> <p>Agreed. Extra work, when paid from the contingency fund of the contract, is covered under the terms of the existing contract and agreement. Work authorized under the Procurement Policy 11 and paid for under an existing purchase order and/or contract is also compliant with the Policy. Policy 7 and Policy 11 requirements will be strictly enforced.</p>	<p>Completed. The Capital Project Status Report is used to update Council on the status of project funding sources and expenditures. This report also provides rationale for project surpluses or deficits and details of extra work and/or change orders.</p> <p>Completed. Based on the sample of files reviewed by Audit Services, the City's Procurement Policy requirements that a purchase order and a written legal agreement for construction contracts of \$100,000 or more is being followed when extra work and/or change orders have been assigned to contractors.</p>

**PUBLIC WORKS – CONSTRUCTION CONTRACTS REVIEW FOLLOW UP
MARCH 2016**

OBSERVATIONS OF EXISTING SYSTEM	RECOMMENDATION FOR STRENGTHENING SYSTEM	MANAGEMENT ACTION PLAN	FOLLOW UP (MARCH 2016)
<p><u>Contract Administration</u> The materials used and the work performed by the contractor are tracked each day by the Inspector using a journal. At the end of each month, the amounts in the journals are summarized and submitted by the Inspector to the Project Manager. The volume of the work tracked is used to calculate the progress payment remitted to the contractor for the work performed.</p> <p>A comparison of the Inspectors' journals with the total progress payments indicated that, at the completion of the project, the contractor was paid only for the work performed and the materials used. However, for the first two progress payments of one of the contracts reviewed, the contractor was pre-paid for work before it was recorded by the Inspector. Such pre-payment for work and materials is not a good practice as it removes the urgency of completing the work in a timely manner by the contractor. It also places the City's funds at risk should the contractor meet with financial or performance difficulties.</p>	<p>3. That progress payment quantities agree with quantities as noted in the Inspectors' diaries on a payment-to-payment basis in order to ensure the contractor is only paid for completed work.</p>	<p>Agreed. It is current practice that the payment certificate quantities are based on Inspector diary measurement notations. There may be instances where there is a minor variance between certificate payment quantities and Inspectors' notes. These minor temporary variances are a function of pending work and rationalization of available resources. All final quantities are subject to multiple levels of review and work flow scrutiny.</p>	<p>Not Completed. Based the testing completed by Audit Services, quantities noted on the Progress Payments are often based on estimates. These estimates were found to consistently exceed the actual quantities reported on the weigh tickets. Therefore, contractors are being paid for work that has not been completed. A similar issue (Project Quality Assurance) was identified as part of Audit Report 2015-11, Construction Contracts Review. Management has indicated this will be addressed immediately.</p>

**PUBLIC WORKS – CONSTRUCTION CONTRACTS REVIEW FOLLOW UP
MARCH 2016**

OBSERVATIONS OF EXISTING SYSTEM	RECOMMENDATION FOR STRENGTHENING SYSTEM	MANAGEMENT ACTION PLAN	FOLLOW UP (MARCH 2016)
<p><u>Procedures</u> Management in Construction Services has no written formal procedures to guide its staff in the identification, tracking and correction of contract deficiencies during the warranty period.</p> <p>When written procedures do not exist, staff carrying out the process rely on personal understanding and experience which could result in incorrect, incomplete or inconsistent application. It would also be problematic and inefficient for a successor to commence his/her duties within a short period of time.</p>	<p>4. That comprehensive procedures for the identification, tracking and correction of contract deficiencies during the warranty period be written, approved by management and implemented by staff in the Construction Services section.</p>	<p>Agreed. Construction Services will formalize and document existing policies and procedures with respect to warranty period issues.</p>	<p>Initiated. A formal document describing the process used to identify, track and correct project deficiencies has been developed. However, this document does not provide step by step guidelines for staff to follow in order to properly document and correct project deficiencies during the warranty period.</p> <p>This item was again identified as an audit observation as part of Audit Report 2015-11. Per the Management Action Plan in Report 2015-11, the estimated completion date is Q2 2017.</p>