





CITY OF HAMILTON
CITY MANAGER'S OFFICE
Human Resources Division

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| TO: | Chair and Members Governance Review Sub-Committee |
| COMMITTEE DATE: | March 27, 2023 |
| SUBJECT/REPORT NO: | Code of Conduct and Conflict of Interest Education and Communications (HUR22011(a)/CM22018(a)) (City Wide) (Outstanding Business List Item) |
| WARD(S) AFFECTED: | City Wide |
| PREPARED BY: | Nenzi Cocca (905) 546-2424 Ext. 3924 |
| SUBMITTED BY: | Lora Fontana Executive Director Human Resources |
| SIGNATURE: |  |
| SUBMITTED BY: | Janette Smith City Manager City Manager's Office |
| SIGNATURE: |  Jason Thorne, Acting City Manager |

RECOMMENDATION

- (a) That City of Hamilton employees not be permitted to sell goods and services to the City, or to bid on City contracts unless there are specific circumstances where it can be demonstrated that employee bids are in the best interest of the organization. Circumstances that would give rise to an exemption may include, but are not limited to, contracts tendered during a declared state of emergency or contracts tendered to purchase products whereby the employee is the sole source (no other vendor provides the same or equivalent product).

- (b) That a review of a potential exemption, as outlined above, would be initiated through the following process:
 - (i) Employees will be required to submit a Code of Conduct Disclosure Form that outlines all perceived and real conflicts of interest.
 - (ii) Disclosure Forms will be reviewed to determine if any conflicts of interest should disqualify the employee from selling goods and services or from participating in the bid process, despite the extenuating circumstances.
 - (iii) Staff involved in reviewing Disclosure Forms and confirming that the extenuating circumstances exist will include Legal, Procurement and Human Resources.
 - (iv) Any employee bids that are approved by Legal, Procurement and Human Resources due to extenuating circumstances, require City Manager approval when the value of the contract exceeds \$25,000.

- (c) It is further recommended, that notwithstanding any extenuating circumstances, employees would be precluded from consideration for an exemption for the following reasons:
 - (i) Access to confidential or proprietary information that could give them an unfair advantage in the bidding or sale process,
 - (ii) Direct or indirect involvement in the procurement process or the decision-making process by virtue of their position with the City.

- (d) That the Code of Conduct, Schedule D Outside Activity (Appendix “B” to Report HUR22011(a)/CM22028(a)) be approved, as amended with the recommendations noted above.

- (e) That this item be removed from the Governance Review Sub-Committee Outstanding Business List.

EXECUTIVE SUMMARY

Further to a motion tabled at Governance Review Sub-Committee on September 9, 2022, which directed staff to review the City’s policies regarding employees who are also business owners bidding on City contracts and report back to the Governance Review Sub-Committee, Human Resources conducted a comprehensive review of the current Code of Conduct Policy for Employees and the Procurement Policy.

Similar to several other municipalities and regions, the City of Hamilton’s Procurement Policy contains provisions pertaining to whether City employees are permitted to bid on City contracts. Comparable policies and procedures from several municipalities were reviewed and are summarized in Appendix “A” to Report HUR22011(a)/CM22018(a). Staff

reviewed the procurement policies and bylaws, codes of conduct, and/or conflict of interest policies from eighteen medium to large Ontario municipalities or regions.

Of the eighteen municipalities/regions reviewed:

- 5 cities/regions do permit City employees to bid on City contracts under certain conditions (e.g., a disclosure form must be submitted, the City employee cannot be involved in the procurement process, approval is needed by Council, Legal Service, Procurement, Department Head, etc.).
- 8 cities/regions do not permit City employees to bid on City contracts unless certain conditions are met (e.g., submission of disclosure form, approval by CAO, Council, Legal Services, or Procurement Division).
- 5 cities/regions do not permit City employees to bid on City contracts.

The City's Procurement Policy indicates that employees may not bid on City contracts unless employees first declare a conflict of interest. However, the policy is silent regarding the approval process following such a declaration. Furthermore, the Procurement Policy covers City contracts and purchases valued at \$10,000 or more. Therefore, staff have recommended that employees be prohibited from selling goods and services to the City to address potential purchases under \$10,000, unless the same extenuating circumstances are met to permit an exemption.

The recommendations include the continued exclusion of allowing employees to sell the City goods and services, or to bid on City contracts, unless they first declare a conflict of interest. However, the proposed amendments clearly outline the steps required after a declared conflict of interest is made (through the submission of a Disclosure Form as part of the Code of Conduct). These recommendations allow for exemptions only in extenuating circumstances, but also allows the City to preclude employees from bidding on contracts or selling goods and services, even if the extenuating circumstances are identified, such as situations wherein an employee has access to confidential information or direct/indirect involvement in the procurement process. The intent of these recommendations is to ensure continued public trust and confidence in a fair and transparent procurement process, but to allow for extenuating circumstances when an employee's ability to bid on City contracts or to sell goods and services to the City is clearly in the City's best interest.

Alternatives for Consideration – See Page 6

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: Prohibiting the sale of goods and services or contract bids from City staff may limit the ability of the City to procure the most cost-effective option. However, providing certain exemptions allows for the consideration of circumstances whereby the employee bid or sale of goods and services is in

the best financial interest of the City. For example, in the case of a sole source or emergency situation, precluding an employee's bid may create liability and risk with financial implications.

Staffing: Minimal resources are required in order to evaluate the submission of a Disclosure Form, as incidents of employees bidding on City contracts or selling goods and services to the City is extremely limited.

Legal: N/A

HISTORICAL BACKGROUND

The following motion was passed at the September 9, 2022, Government Review Sub-Committee meeting:

That staff be directed to review the City's policies around City employees who are also business owners bidding on City Contracts and report back to the Governance Review Sub-Committee in the new term of Council.

Comparable policies and procedures from several municipalities and Regions were reviewed and are summarized in Appendix "A" to Report HUR22011(a)/CM22018(a). Staff reviewed procurement policies and bylaws, codes of conduct, and/or conflict of interest policies from eighteen medium to large Ontario municipalities or regions.

The City's Procurement Policy indicates that employees may not bid on City contracts unless employees first declare a conflict of interest. However, the policy is silent regarding the approval process following such a declaration. Furthermore, the Procurement Policy covers City contracts and purchases valued at \$10,000 or more.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Should the recommendations be approved, the City of Hamilton's Code of Conduct Policy for Employees (Schedule D: Outside Employment and Activity) will be updated to reflect the new approval process (Appendix "B" to Report HUR22011(a)/CM22018(a)).

RELEVANT CONSULTATION

External Consultations: N/A

Internal Consultations:

Staff from Human Resources consulted with the following areas to inform the recommendations above:

- Audit
- Legal
- Procurement
- Labour Relations
- Policy Review Group
- Senior Leadership Team

ANALYSIS AND RATIONALE FOR RECOMMENDATION

The relevant policies from comparable municipalities and Regions suggest that there are a variety of responses and approval processes. Eight of the eighteen municipalities or regions do not permit City employees to bid on City contracts unless certain conditions are met. The recommendations being proposed align with those municipalities and Regions and balance the need to maintain public trust and confidence, mitigate any real or perceived conflict of interest, and allow for exemptions only in extenuating circumstances, when deemed in the best interest of City.

As a general good governance principle, provisions that prevent employee conflicts of interest is preferable to establishing practices where a conflict of interest is more likely to occur. Enabling City employees to bid on City contracts or to sell the City goods and services will result in pecuniary conflicts of interest as there is financial compensation involved. Added to this are concerns about:

- City employees potentially having access to confidential or proprietary information that could give them an unfair advantage in the bidding/selling process,
- City employees possibly having undue influence over the procurement process or the decision-making process by virtue of their position with the City,
- The public perception that City employees are ‘double-dipping’ by being employed by the City and also being awarded a City contract or making a sale to the City.

However, staff felt it was important to maintain a limited and defined degree of flexibility to award contracts to City employees or purchase goods and services in extenuating circumstances, for example during a declared emergency or when a product is not available from other vendors, if it is in the best interests of the City. In these limited circumstances, it is still important to ensure there is a rigorous review and approval process in place. That review would include:

- City employees must complete a Code of Conduct Disclosure Form,

- Disclosure Forms will be reviewed to determine if there are conflicts of interest that should exclude employees from the bidding/sale process, despite the extenuating circumstances,
- Senior staff must be involved in the approval process to ensure an appropriate level of accountability,
- City Manager approval is required when City employees bid on contracts over \$25,000,
- Staff will develop a fair, transparent, and consistent process to ensure the City's interests are protected and the public trust is maintained.

ALTERNATIVES FOR CONSIDERATION

Council may decide to allow City employees to bid on City contracts or sell goods and services to the City with no conditions. This would enable the City to maintain flexibility and open City contracts or selling opportunities to a variety of vendors, including City employees. However, without proper disclosures and mitigation, real and perceived conflicts of interest would be inevitable, resulting in potential breaches of the Code of Conduct. This option would likely result in complaints from other external vendors and would compromise public trust and confidence.

Alternatively, Council may decide to not permit City employees to bid on any City contracts or to sell goods and services to the City even when there are extenuating circumstances or when it is in the best interest of the City. This option would certainly avoid any real or perceived conflict of interest and maintain strict adherence to the Code of Conduct without the need to evaluate or mitigate. However, this would eliminate all flexibility to award contracts to City of Hamilton employees or to purchase goods and services from employees, even in a declared emergency, or when the employee is a single source of a particular product or service required by the City without available alternatives in the market.

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Community Engagement and Participation

Hamilton has an open, transparent and accessible approach to City government that engages with and empowers all citizens to be involved in their community

Economic Prosperity and Growth

Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.

Our People and Performance

Hamiltonians have a high level of trust and confidence in their City government.

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" to Report HUR22011(a)/CM22018(a) - Comparison of Procurement/Purchasing Policies or By-laws from Various Medium-Large Ontario Municipalities or Regions

Appendix "B" to Report HUR22011(a)/CM22018(a) - Proposed Edits to the Code of Conduct for Employees Schedule D – Outside Employment and Activity

Can City Employees Bid on City Contracts?

A Comparison of Procurement/Purchasing Policies or By-laws From Various Medium-Large Ontario Municipalities or Regions

Governance Sub Committee Motion: *That staff be directed to review the City's policies around City employees who are also business owners bidding on City Contracts and report back to the Governance Review Sub-Committee in the new term of Council.*

Summary:

Aside from the City of Hamilton:

- 5 cities/regions **do permit** City employees to bid on City contracts **under certain conditions** (e.g., a disclosure form must be submitted, the City employee cannot be involved in the procurement process, approval is needed by Council, Legal Service, Procurement, Department Head, etc.).
- 8 cities/regions **do not permit** City employees to bid on City contracts **unless certain conditions are met** (e.g., submission of disclosure form, approval by CAO, Council, Legal Services, or Procurement Division).
- 5 cities/regions **do not permit** City employees to bid on City contracts.

| City/Region | Can City Employees Bid on City Contracts? | Summary of Policy/By-law Provisions |
|-------------|--|---|
| HAMILTON | <p>NO</p> <p>Unless approved by Council and the employee declares a conflict of interest.</p> <p>The policy does not state what the next steps might be following the declaration.</p> | <p><u>Procurement Policy</u> <u>Responsibilities & Prohibitions of Procuring Goods and/or Services</u> Section 2 (6) Prohibitions.</p> <p>The following activities are prohibited, unless specifically approved by Council:</p> <p>(d) Purchase by the City from any member of Council or employee of the City, their family members or from any other source, that would result in a conflict of interest, unless that interest has been declared pursuant to the Municipal Conflict of Interest Act or pursuant to the City’s Code of Conduct for Employees Policy or such other similar policy currently in force.</p> <p><u>#17 - Conflicts of Interest</u> Section 4.17</p> <p>(1) Employees of the City shall not have a pecuniary interest, either directly or indirectly, in any City Contract or with any person acting for the City in any Contract for the supply of Goods and/or Services for which the City pays or is liable, directly or indirectly to pay unless such interest has been declared pursuant to the Code of Conduct for Employees Policy, as amended or replaced from time to time, and the employee otherwise complies with such policy.</p> <p>(2) In addition to complying with the Code of Conduct for Employees Policy as set out under subsection 4.17(1), employees of the City are required to declare any pecuniary interest, either direct or indirect, in writing to their General Manager with a copy to the Manager of Procurement indicating the specific nature of the conflict.</p> |

| City/Region | Can City Employees Bid on City Contracts? | Summary of Policy/By-law Provisions |
|-------------------|--|--|
| 1. Brampton | <p>YES</p> <p>Conflicts of interest are reviewed on a case-by-case basis, including bids submitted by City Employees (confirmed via email).</p> | <p><u>Purchasing By-law</u></p> <p>Code of Conduct and Conflict of Interest. The submission of all bids must include a declaration by the Bidder that there is no actual, potential or perceived conflict of interest. Where a Bidder indicates a conflict, it will be reviewed by the Purchasing Agent and the City Solicitor to determine if the conflict should disqualify that Bidder from the procurement process.</p> |
| 2. Halton Region | <p>YES</p> <p>But employees cannot participate in the procurement process if they have a conflict of interest.</p> | <p><u>Procurement Policy</u></p> <p>Conflict of Interest. Employees are to refrain from participating in the process to procure goods and services for the Region if they have a conflict of interest, including having a direct or indirect interest in any business that provides goods or services to the Region.</p> |
| 3. Mississauga | <p>YES</p> <p>Permitted as long as the employee is not involved in the decision-making or does not use their position or confidential information to gain an advantage.</p> <p>Employees must disclose their conflict of interest and the Department Head will determine mitigation.</p> | <p><u>Procurement Bylaw</u></p> <p>Conflict of Interest. 6 (2) Employees of the City shall comply with City policies on conflict of interest.</p> <p><u>Conflict of Interest Policy</u></p> <p>Making or Influencing Decisions - Financial Interests in Another Organization. An employee may have a financial interest in another organization. If the employee is able to make a decision or to influence a decision regarding the organization's business dealings with the City (e.g., the award of a license, permit, contract, etc.) the employee must not participate in discussions or processes related to the decision and must immediately disclose the conflict of interest to the employee's supervisor and department head. The department head will determine appropriate steps to mitigate the conflict.</p> <p>If the employee is in no position to make or influence decisions affecting the other organization, there is no conflict, and the relationship need not be disclosed. At any time, if the employee is in doubt about how the relationship with the other organization would be viewed by an outside party, the employee should disclose the relationship to the applicable supervisor, director and/or department head.</p> |
| 4. Niagara Region | <p>Yes</p> <p>If approved by Council</p> | <p><u>Procurement By-law</u></p> <p>IN HOUSE BIDS</p> <p>36. In House Bids (by one or more City employees) may be used for the Purchase of Goods and/or Services where:</p> <p>(a) external Suppliers have also been requested to submit Bids; and</p> <p>(b) Council has approved a format for the development and submission of the In House Bids.</p> |
| 5. Windsor | <p>YES</p> | <p><u>Code of Ethics and Conflict of Interest Policy</u></p> |

| City/Region | Can City Employees Bid on City Contracts? | Summary of Policy/By-law Provisions |
|--------------|---|--|
| | Not explicit in the Purchasing By-law, but there is mention in the Code of Ethics and Conflict of Interest Policy. The employee must submit a disclosure form, subject to review by the City Solicitor. | 5.2.4.2.7 In cases of procurement activities, Employees and Volunteers to disclose any personal or close relationships with vendors where the employee is the participant, influencer or decision maker in the vendor selection/award process or where the Employee or Volunteer is also a vendor. The City Solicitor shall rule on Disclosure Forms submitted for Employee/Volunteer-Vendor relationships and submit a summary of these disclosures to the CAO each year. |
| 6. Barrie | NO Unless approved by CAO | Procurement By-law City's Conduct and Conflicts of Interest. 6.4. No goods, services or construction will be purchased from an officer or employee of the City, or any associate or family member of an officer or employee, unless the extent of the interest of such individual has been fully disclosed to the CPO and the purchase has been subsequently approved by the CAO. |
| 7. Guelph | NO Unless approved by Council. | Purchasing Bylaw Conflict of Interest. Unless prior Council approval has been provided, the City shall not purchase any Goods and/or Services from any member of Council or employee of the City, or any associate or family member of any member of Council or employee of the City. Recommending Successful Bids. Unless Council has decided to the contrary, the City shall reject any Bid submitted by: a. An officer, employee or member of Council of the City; b. A business of which an officer, employee or member of Council of the City is a director or officer; or c. A person who is not at arm's length from an officer, employee or member of Council of the City. |
| 8. Kitchener | NO Unless approved by the CAO | Purchasing By-Law Conduct and Conflict of Interest. 170. 6. 4 No Goods, Services, Construction, or Consulting Services will be purchased from an employee of the City, or any associate or Immediate Family of an employee, unless the extent of the interest of such individual has been fully disclosed to the Director of Supply Services and the purchase has been subsequently approved in writing by the CAO. Any Contract with the City in which a member of Council or any employee of the City has an undeclared direct or indirect pecuniary interest may be voided. |
| 9. London | NO Unless the employees disclose their pecuniary interest prior to award of the contract. | Procurement Policy 5.0 Conflict of Interest 5.1 No City employee shall have any pecuniary or controlling interest either direct or indirect in any competitive bid or contract for the supply of goods or services to the City, unless such pecuniary interest is disclosed in the competitive bid documents prior to award of the contract. Should a conflict of interest arise after the award of a contract, the conflict shall immediately be disclosed in writing to the Manager of Purchasing and Supply. If a conflict is not disclosed and is discovered the contract may be cancelled. |

| City/Region | Can City Employees Bid on City Contracts? | Summary of Policy/By-law Provisions |
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| 10. Oakville | NO Unless approved by Council | <p><u>Procurement By-law</u> Responsibilities of Council. 2. c) The town shall not purchase supplies or service from any employee of the town or member of Council without the express authority of Council.</p> |
| 11. Peel Region | NO Unless approved by the CAO | <p><u>Procurement By-law</u> Conflict of Interest. 8.1 No goods and services shall be purchased from a regional employee, or from any spouse, parent, grandparent, sibling, child, grandchild, niece, nephew, uncle or aunt of the employee, other than those services normally required under terms of employment unless the purchase has been approved by the Chief Administrative Officer.</p> |
| 12. Toronto | NO Unless approved by Council | <p><u>Purchasing By-law</u> 195-13.3. Conflicts of interest or unfair advantage. Suppliers must disclose any actual or potential conflict of interest or unfair advantage related to the preparation of their bid, including engaging current or former City employees to take any part in the preparation of the bid or the performance of the contract if awarded, any time within two (2) years of such persons having left the employ of the City.</p> <p>195-14.2. In-house bids restricted. Submissions to any solicitation will not be accepted from internal City employees or divisions, without prior approval by Council, including approval of the process for fairly evaluating those submissions.</p> |
| 13. Vaughan | <p>NO If the employees disclose their pecuniary interest prior to award of the contract.</p> <p>NOTE: The City of Vaughan is in the process of reviewing its Procurement Policy, so this may change.</p> | <p><u>Procurement Policy</u> Conflict of Interest. Employees of the City, and their immediate family, shall not have a pecuniary interest, either directly or indirectly, in any City contract for the supply of goods, services and/or construction unless such interest has been declared in writing to their Manager with a copy to the Director of Procurement Services and Director of Legal Services indicating the specific nature of the conflict.</p> <p><u>Employee Code of Conduct</u> Conflict of Interest. Employees shall not gain personal benefit, directly or indirectly, from any agreement or contract with the City about which they can influence decisions or affect the outcome, or from access to information acquired in their official capacity which is not generally available to the public. Employees must disclose real or apparent conflicts to the Deputy City Manager or City Manager.</p> |
| 14. Burlington | NO Employees are not permitted to submit a bid. | <p><u>Procurement By-law</u> 8. Procurement Prohibitions and Compliance. 8.8 The City shall not acquire Goods and/or Services from Members of Council, appointed or City employees.</p> |

| City/Region | Can City Employees Bid on City Contracts? | Summary of Policy/By-law Provisions |
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| 15. Markham | NO Employees are not permitted to submit a bid. | <p><u>Procurement Bylaw</u> Administrative Procedures. 4.4 No City staff, or member of Council may submit a Bid in response to a Quotation issued by the City, or sell or provide goods or services to the City outside of their employment with the City.</p> |
| 16. Oshawa | NO Employees and their family members are not permitted to bid on City contracts. | <p><u>Purchasing By-law</u> 11.06 Employees Restricted from Bidding to Sell: No employee or appointed or elected official of the City, or any of their spouses, siblings, parents or children, shall Bid to supply the City with Goods and/or Services.</p> |
| 17. Ottawa | NO A contractor or its personnel must not be employed by the City. | <p><u>Procurement Policy</u> 2.18 Status of the Contractor. The Contractor is engaged as an independent contractor for the sole purpose of performing the Work. Neither the Contractor nor any of its personnel is engaged as an employee, servant or agent of the City.</p> |
| 18. Richmond Hill | NO Employees are not permitted to submit a bid. | <p><u>Procurement Policy</u> 8.3 In-house Submissions and Personal Purchases. Internal staff may not make Submissions to any RFX and no Submission from internal staff will be accepted in connection with any Acquisition.</p> |

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| Work Environment | | Content Updated: 2019-08-23 |
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Schedule D: Outside Employment and Activity

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| <p>PURPOSE</p> | <p>The City of Hamilton recognizes that City employees are engaged in pursuits outside of their workday. This may include, but is not limited to, involvement in community groups and organizations, working with political organizations, and/or seeking additional employment opportunities in addition to their role at the City.</p> <p>While the City supports employees in their personal endeavors, the outside activities of employees must align with the City’s culture and values and must not create a conflict of interest, contravene City of Hamilton policies and procedures or misrepresent the City of Hamilton in any way. In addition, employees’ behaviour outside of the workplace must not diminish the trust and confidence that the community has in City administration or impact the City’s ability to provide services to the community.</p> |
| <p>DEFINITIONS</p> <p>Hate</p> <p>Hate Activity</p> | <p>Acts of hate are committed to intimidate, harm or terrify victims and the identifiable groups to which they belong. Victims of hate are targeted on the sole basis of who they are and/or the groups to which they belong (i.e., being Jewish, Muslim, Transgender, Black, Indigenous, etc.).</p> <p>Hate Related Incidents may involve intimidation, harassment, physical force or threat of physical force against a person, a group or a property if motivated by hatred/bias/prejudice against an identifiable group. Acts of hate may be committed by strangers or individuals well known to the victim. Perpetrators may include individuals, groups, organizations and institutions. Victims may be reluctant to report hate for a variety of reasons, including: not recognizing that the motivation was hate; fear of retaliation; embarrassment and humiliation; and/or uncertainty of the criminal justice system response.</p> <p>Can include, but is not limited to, verbal slurs; threats; vandalism; intimidation and harassment; and public messages that imply that members of an identifiable group are to be despised, scorned, denied respect and made subject to ill-treatment on the basis of</p> |

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| | <p>group affiliation. Such messages may include group symbols, slogans or epithets and can be transmitted in many ways (e.g., graffiti, posters, flyers, hate mail, over the telephone, website and e-mail content, etc.)</p> |
| <p>TERMS AND CONDITIONS</p> <p>Outside Employment</p> | <p>Employees shall not take outside employment, including self-employment, if such employment:</p> <ul style="list-style-type: none"> • causes a real or apparent conflict of interest; or • is performed in such a way as to appear to be an official act of or to represent the City; or • interferes with regular duties in any way, or involves the use of City premises, resources or equipment including but not limited to City e-mail, telephones, cell phones, or supplies. <p>Where it appears that a conflict of interest might arise in accepting outside employment, employees must notify their supervisor in writing of the nature of such outside employment prior and receive written permission prior to the acceptance of such employment (See Reporting a Conflict of Interest below).</p> |
| <p>Outside Business & Financial Activity</p> | <p>No employee participating in any outside business or financial activity shall do so during work hours or use the City's facilities or property including but not limited to vehicles, equipment, tools, photocopiers, stationery, telephones or cell phones, computers, etc., for the benefit or purpose of such business or activity.</p> |
| <p>Purchase or Lease of Real Property</p> | <p>No employee of the City shall directly or indirectly purchase or lease real property from or to the City, nor shall an employee have any direct or indirect interest in a company which purchases or leases real property from or to the City, unless this interest has been fully disclosed to the appropriate approving authority and unless the</p> |

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Employees Doing Business with the City

purchase or lease of the real property is done through a public process.

No employee shall knowingly approve or attempt to influence the approval of any license, permit, contract, agreement or other document on behalf of the City for his or her own personal use, or for the use of an individual with whom the employee has a financial or social relationship. This is in accordance with the City's Procurement Policy By-law.

No employee shall be permitted to sell goods and services to the City or to bid on a City contract unless:

- extenuating circumstances exist, such as a declared state of emergency, or where the employee is the sole provider of a unique product, and
- it can be demonstrated that the employee bid or sale of goods and services is in the best interest of the City of Hamilton.

The employee must submit a Code of Conduct Disclosure Form that outlines all real and apparent conflicts of interest to (codeofconduct@hamilton.ca).

- Disclosure Forms will be reviewed to determine if any conflicts of interest should disqualify the employee from selling goods and services or from participating in the bid process, despite the extenuating circumstances.
- Staff involved in reviewing Disclosure Forms and confirming that the extenuating circumstances exist will include Legal, Procurement and Human Resources.

Notwithstanding any extenuating circumstances, employees will be precluded from bidding on a City contract or from selling goods and services to the City for the following reasons:

- access to confidential or proprietary information that could give them an unfair advantage in the bidding or sale process,
- direct or indirect involvement in the procurement process or the decision-making process by virtue of their position with the City.

Employee bids and the sale of goods and services to the City must be approved by Human Resources, Legal, and Procurement. Bids of

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| <p>Individual Behavior Outside of the Workplace</p> | <p><u>\$25,000 and over also require City Manager approval. This is in accordance with the City's Procurement Policy By-law.</u></p> <p>Employees must not engage in any behaviour outside of the workplace that:</p> <ul style="list-style-type: none"> • Violates City polices, including the Code of Conduct and the Harassment and Discrimination policy • Falls under the City's definition of hate or hate activity • Is in misalignment with the City's culture and values • Is detrimental to the City of Hamilton • Impacts the City's ability to carry out services • Negatively impacts the trust and confidence that the community has in City administration |
| <p>Involvement with Outside Groups</p> | <p>No employee of the City of Hamilton shall participate or otherwise be involved with groups who engage in hate or hate activity.</p> <p>When considering involvement with outside groups, employees should ensure that they are aware of and fully understand the group's objectives, values and beliefs to ensure that they are not in misalignment with the City's corporate culture and values.</p> |
| <p>Community Board Activity</p> | <p>No employee shall accept an appointment to the Board of a community agency or association that deals with matters related to the activities of the City, without the written permission of his or her Director or designate. Written permission of the Director or designate is not required if the employee is appointed to the Board of the agency or association by the City to represent the City's interests.</p> <p>Any City employee serving on a community board shall take all reasonable actions to avoid any real conflict or apparent conflict between Board activity and the City's interests. Where a real or apparent conflict exists, the employee shall declare the conflict and shall not take part in, or be present for, any Board discussion or decision about the issue raising the conflict of interest. If the conflict of interest is significant, the employee shall resign from the board.</p> |

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| Political Activity | <p>To ensure public trust in the City of Hamilton, employees must be, and appear to be, both personally impartial and free from undue political influence in the exercise of their duties.</p> <p>Employees engaged in political activities must take care to separate personal political activities from their position of employment with the City.</p> <p>Employees who are politically involved in Municipal, Provincial, or Federal levels of government must make it clearly understood that they are acting personally and not as representatives of the City.</p> <p>Employees who are running for elected office at the municipal level must abide by the respective legislation governing such elections. This includes abiding by s. 30 of the Municipal Elections Act, 1996 which requires that employees request and <u>obtain an unpaid leave of absence beginning as of the day the employee is nominated and ending on voting day</u>; and deems employees who are elected to office to have resigned from employment immediately before making their declaration of office.</p> <p>Any employee who is politically involved shall ensure that such involvement does not interfere with his or her ability to perform his or her corporate duties objectively.</p> <p>Employees must not engage in any political activity during working hours or utilize City assets resources or property.</p> <p>Employees shall not identify themselves as City employees when engaged in political activity (e.g. employees shall not wear clothing with the City of Hamilton logo while canvassing for a candidate).</p> <p>Notices, posters or similar material in support of a particular candidate or political party are not to be displayed or distributed by employees at City work sites or on City property. An employee's decision to support a candidate or political party financially remains a personal decision.</p> |
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| Corporate Human Resources Policy |  | <i>Code of Conduct for Employees</i> |
| Work Environment | | Content Updated: 2019-08-23 |
| Policy No: HR-01-09 | | |
| Page 6 of 6 | | Approval: 2019-09-10 |

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| COMPLIANCE | <p>Every employee is expected to be aware of and act in compliance with the Code of Conduct for Employees Policy and the related Schedules. Any employee under investigation may be suspended with or without pay or be re-assigned to other duties pending completion of the investigation, depending on the particulars of the case and the best interests of the City. Where there is a serious wrongdoing, as defined in the Whistleblower By-law, that By-law applies. Violations of this Schedule may result in appropriate disciplinary measures, up to and including dismissal with cause.</p> |