



REPORT

Finance Committee

- *Minutes of the Finance Committee meeting September 23, 2014.*

Resolutions:

- *That the Rainy River District School Board approve Policy 8.09, Procurement for stakeholder consultation.*
- *That the Rainy River District School Board grant authority to borrow up to a maximum indebtedness at any one time of \$3,000,000 on the authorized signing officers of the Board to meet current operating costs for 2014-2015 pending the receipt of grants and/or funds from local revenue.*
- *That the Rainy River District School Board approve, in principle, the spending of \$1,500,000 on renovations to Atikokan High School and Rainy River High School.*
- *That the Rainy River District School Board award RFP-RRDSB 2014-80 Donald Young School Renovation Architectural Services to LM Architecture.*



**Finance Committee Minutes
Education Centre
September 23, 2014 – 1:30 p.m.**

COMMITTEE MEMBERS PRESENT: David Kircher, Dianne McCormack, Michael Lewis, Ralph Hill, Marg Heyens

STAFF: Heather Campbell, Director of Education; Laura Mills, Superintendent of Business; Travis Enge, Manager of Plant Operations & Maintenance; Sherri Belluz, Recording Secretary

1. Call to Order

The meeting was called to order at 1:30 p.m.

2. Approval of Agenda

The agenda was approved as amended to include an In Camera session to discuss Procurement.

3. Disclosure of Conflict of Interest

There was no conflict of interest disclosed.

4. Confirmation of Minutes

The minutes of the Finance Committee meeting held on June 19, 2014 were approved.

5. Business Arising from the Minutes

a) Policy Review:

The following policies and corresponding procedures were presented for content review.

1.41 Trustee Expenditures

The Finance Committee recommended that Policy 8.20 Travel be rescinded as Policy 8.22 Expense Claims incorporates the rules for travel expenses.

Section 1.2 Telephone will be amended to reflect current practice of reimbursing basic phone services (i.e. cell and/or land line).

The Finance Committee recommended that the draft Trustee Expenditures Policy be presented to the Policy Committee for review.

1.43 Trustee Honoraria

The Policy Statement will be amended to read, "The Rainy River District School Board will set the level of honoraria for the trustees within the limits set by provincial regulation."

Discussion followed regarding the payment of the \$50 distance amount to Trustees who travel in excess of 200 km one way. It was agreed that no stipend is to be paid and will be reflected in the Policy.

As the Trustee Honoraria must be in place by October 15, 2014, the Finance Committee recommended that the Trustee Honoraria Policy be presented at the October Board meeting.

8.22 Expense Claims

Section 3.0 Travel will be amended to include a statement that reflects staff are to use the most economical means of travel.

The Finance Committee recommended that the draft Expense Claims Policy be presented to the Policy Committee for formatting review.

b) Facility Partnerships Update

It was reported that the Township of Emo had requested an extension to the June 30, 2014 deadline for detailed expressions of interest. As a result, to be fair and transparent to all other possible partnerships, all partners invited to the spring session were notified. Initial interest at the spring meeting revealed that potential partners was to see a daycare at the school but are not in a position to offer without a provider. Laura Mills, Superintendent of Business, expressed concern in delaying the project timelines as it may increase costs.

c) Trustee Expenditure Review

Administration were requested by the Finance Committee to do a review of trustee expenses and meeting allowances from December 2010 to date. The review was to capture any expenses that were claimed but subsequently reduced to align with maximum meal allowances, and to capture any meeting allowances that were not captured for payment.

New processes have been put in place through Policy 8.22 Expense Claims revision to mitigate any errors or omissions.

6. New Business

a) Donald Young School Renovations

In June 2014, the Trustees provided approval to proceed with the Donald Young School Renovation by resolution, after receiving Ministry approval for the project.

The key stages and estimated timeline for the project was presented. The Finance Committee will continue to be updated as the project proceeds.

b) Procurement:

Procurement Over \$50,000

The Committee received a report on the Procurement over \$50,000. There were two requests for proposals for the purchase of education assessment services and roof repairs at various schools. All bids received were evaluated based on mandatory requirements and pricing information, with low price obtaining high score.

Policy Review: 8.09 Procurement

It was reported that, during the development of the new Procurement Procedure, administration noted that some approval levels between goods/services and consulting services did not align to Policy. The current and suggested approval levels were reviewed.

The Finance Committee recommended that the approval levels be modified to reflect alignment with Policy.

Approval Levels for Competitive Procurement:

	Goods/Services	Goods/Services	Consulting	Consulting
Total Procurement Value	Approval Level Prior to Proceeding	Approval Level Prior to Award	Approval Level Prior to Proceeding	Approval Level Prior to Award
\$0 > \$5,000	Budget Manager	Budget Manager	Budget Manager	Budget Manager
\$5,000 > \$50,000	Superintendent of Business	Superintendent of Business	Superintendent of Business	Superintendent of Business
\$50,000 > \$100,000	Superintendent of Business	<i>Superintendent of Business and Director of Education</i>	Superintendent of Business	<i>Superintendent of Business and Director of Education</i>
\$100,000 > \$250,000	Superintendent of Business	Approval Committee	Superintendent of Business	Approval Committee
\$250,000 +	Approval Committee	Trustees	Approval Committee	Trustees

Approval Levels for Direct Award:

	Goods/Services	Goods/Services	Consulting	Consulting
Total Procurement Value	Approval Level Prior to Proceeding	Approval Level Prior to Award	Approval Level Prior to Proceeding	Approval Level Prior to Award
\$0 > \$5,000	Budget Manager	Budget Manager	Budget Manager	Budget Manager
\$5,000 > \$50,000	Superintendent of Business	Superintendent of Business &/or Director	Superintendent of Business	Superintendent of Business &/or Director
\$50,000 > \$100,000	Superintendent of Business	Superintendent of Business & Director of Education	Superintendent of Business	Superintendent of Business & Director of Education
\$100,000 +	Approval Committee	Trustees	Approval Committee	Trustees

The Finance Committee recommended that Policy 8.09 Procurement be presented at the October Board meeting for stakeholder consultation.

c) Borrowing Bylaw

Each year the Board approves the maximum indebtedness at any one time of up to \$3,000,000. This overdraft protection is needed to cover the timing difference between expenditures and the receipt of grants and taxes. Based on levels of usage of the overdraft over the past year, the \$3,000,000 is reasonable.

The Finance Committee recommended that the Rainy River District School Board grant authority to borrow up to a maximum indebtedness at any one time of \$3,000,000 on the authorized signing officers of the Board to meet current operating costs for 2014-2015 pending the receipt of grants and/or funds from local revenue.

d) Facility Guiding Principles

The Finance Committee received an update on the development of the Facility Guiding Principles. It was agreed that this item be deferred until after the newly elected Board is in place and the Ministry of Education's revised Pupil Accommodation Review Guidelines are released.

e) School Consolidation Funding

The Committee received a summary of the Ministry's details on the new School Consolidation Capital Program for information. In the report, the Ministry acknowledges that in order to be effective and efficient in managing excess space, school boards may need to right-size their capital footprint. This funding is intended to address that need. Due to the timing of the deadlines, the Rainy River District School Board is not in a position to apply for the school consolidation funding available for 2014-15.

f) 2014/2015 Capital Spending

The Finance Committee received a report on proposed major capital projects to support the 2014-15 Capital Spending plan. The focus will primarily be at Atikokan High School and Rainy River High School due to the age of the buildings and to provide accessible facilities.

The Finance Committee recommended that the Rainy River District School Board approve, in principle, the spending of \$1,500,000 on renovations to Atikokan High School and Rainy River High School.

7. In Camera

It was moved that the Finance Committee meet in-camera pursuant to Section 207(2) of the *Education Act* to discuss procurement.

8. Rise and Report

The Finance Committee discussed the tender results for the Donald Young School Renovation Architectural Services.

The Finance Committee recommends that the Rainy River District School Board award RFP-RRDSB 2014-80 Donald Young School Renovation Architectural Services to LM Architecture.

9. Future Meetings

The next Finance Committee meeting will be November 25, 2014 at 1:30 p.m.

10. Adjournment

The meeting adjourned at 3:24 p.m.

<i>Rainy River District School Board</i>	SECTION 8 <i>Finance</i>
PROCUREMENT	8.09

POLICY

The Rainy River District School Board will ensure procurement is consistent, efficient, effective, equitable, and transparent, and adheres to the highest standards of ethical conduct.

RATIONALE

Procurement is a critical function of public institutions. Therefore, the Board is committed to achieving the optimum value in the expenditure of public funds and protecting the Board from liability, while maintaining accessibility standards and public trust.

IMPLEMENTATION

As per Procurement Procedure 8.09 and the following principles:

- Compliance with all applicable laws, regulations, by-laws, policies and trade treaties as further set out in Schedule 1 to this Policy;
- Consistency with Board policies and procedures;
- Open, fair and transparent procurement that affords equal access to all qualified suppliers;
- Reciprocal non-discrimination and geographic neutrality with respect to Ontario's trading partners and avoidance of preferences for constituent suppliers;
- Effective balance between accountability and efficiency;
- Consideration and implementation of the full range of procurement formats and the adoption of commercially reasonable business practices; and
- Adherence to the highest standards of ethical conduct.

GUIDELINES

1.0 General Guidelines

- 1.1 The Rainy River District School Board shall approve a budget each year for all supplies, equipment and purchases. Budget Managers must ensure that there are sufficient funds for each procurement.
- 1.2 Each procurement must be processed in accordance with this Policy and with the Board's Procurement Procedure 8.09.

**FEEDBACK TO BE RECEIVED
BEFORE
OCTOBER 27, 2014**

- 1.3 Any changes to the Procurement Procedure 8.09 will be forwarded to the Finance Committee for information.
- 1.4 All purchases of \$50,000 or more will be brought as information items to the Finance Committee of the Board.
- 1.5 The role of the Trustee representative from the Finance Committee does not include veto power over any decision to award a Procurement Project, as defined in the Board's Procurement Procedure 8.09.
- 1.6 There will be evidence of sign-off at every stage of procurement as per Procurement Procedure 8.09, Segregation of Duties.

2.0 **Procurement Ethics**

- 2.1 All employees directly or indirectly involved in the procurement process shall:
 - Maintain an unimpeachable standard of integrity in all their business relationships both inside and outside the organizations in which they are employed.
 - Foster the highest standards of professional competence amongst those for whom they are responsible.
 - Optimize the use of resources for which they are responsible to provide the maximum benefit to the Board.
- 2.2 Therefore, in order to attain these standards, all employees shall follow the terms set out below:
 - *Declaration of Conflict of Interest* – Any personal interest which may impinge or might reasonably be seen to impinge on an employee's impartiality in any matter relevant to their duties shall be declared to the Purchasing Clerk.
 - *Confidentiality and Accuracy of Information* – The confidentiality of information received in the course of procurement shall be respected and shall not be used for personal gain, and information provided in the course of procurement shall be true and fair and not designed to mislead.
 - *Competition* – There are advantages to the Board of maintaining positive relationships with suppliers; however, any arrangement which might, in the long term, prevent the operation of fair competition, shall be avoided.
 - *Gifts* – An employee of the Board shall not accept entertainment, gifts or favours that could in any way appear to influence current and future business decisions with regard to the sourcing of goods and services or create potential

conflicts of interest or potential obligations for the employee. In addition, personal favours or other preferential treatment which appears or may appear to place the recipient under obligation shall not be accepted by an employee of the Board.

3.0 Supply Chain Code of Ethics (as taken from the *Broader Public Sector Procurement Directive*)

- ***Personal Integrity and Professionalism***

All individuals with procurement or other Supply Chain-related activities must act, and be seen to act, with integrity and professionalism. Honesty, care and due diligence must be integral to all Supply Chain activities within and between Broader Public Sector organizations, suppliers and other stakeholders. Respect must be demonstrated for each other and for the environment. Confidential information must be safeguarded. All participants must not engage in any activity that may create, or appear to create, a conflict of interest, such as accepting gifts or favours, providing preferential treatment, or publicly endorsing suppliers or products.

- ***Accountability and Transparency***

Supply Chain activities must be open and accountable. In particular, contracting and procurement activities must be fair, transparent and conducted with a view to obtain the best value for public money. All participants must ensure that public sector resources are used in a responsible, efficient and effective manner.

- ***Compliance and Continuous Improvement***

All individuals involved in procurement or other Supply Chain-related activities must comply with this code of ethics and the laws of Canada and Ontario. All individuals should continuously work to improve the Supply Chain policies and procedures to improve their Supply Chain knowledge and skill levels, and to share leading practices.

4.0 Procurement Authority

Prior to award, any procurement of goods and non-consulting services must be approved by an appropriate authority as set out below.

4.1 a) Goods and Non-Consulting Services

Total Procurement Value	Approval Level Prior to Proceeding	Approval Level Prior to Award
\$0 > \$5,000	Budget Manager	Budget Manager
\$5,000 > \$50,000	Superintendent of Business	Superintendent of Business
\$50,000 > \$100,000	Superintendent of Business	Superintendent of Business & Director of Education
\$100,000 > \$250,000	Superintendent of Business	Approval Committee
\$250,000 +	Approval Committee	Trustees

b) Direct Award – Goods and Non-Consulting Services

Total Procurement Value	Approval Level Prior to Proceeding	Approval Level Prior to Award
\$0 > \$5,000	Budget Manager	Budget Manager
\$5,000 > \$50,000	Superintendent of Business	Superintendent of Business &/or Director
\$50,000 > \$100,000	Superintendent of Business	Superintendent of Business & Director of Education
\$100,000 +	Approval Committee	Trustees

4.2 a) Consulting Services

Prior to award, any procurement of consulting services must be approved by an appropriate authority as set out below.

Total Procurement Value	Approval Level Prior to Proceeding	Approval Level Prior to Award
\$0 > \$5,000	Budget Manager	Budget Manager
\$5,000 > \$50,000	Superintendent of Business	Superintendent of Business
\$50,000 > \$100,000	Superintendent of Business	Superintendent of Business & Director of Education
\$100,000 > \$250,000	Superintendent of Business	Approval Committee
\$250,000 +	Approval Committee	Trustees

b) Direct Award – Consulting Services

Prior to Direct Award of consulting services, any procurement must be approved by an appropriate authority as set out below.

Total Procurement Value	Approval Level Prior to Proceeding	Approval Level Prior to Award
\$0 > \$5,000	Budget Manager	Budget Manager
\$5,000 > \$50,000	Superintendent of Business	Superintendent of Business &/or Director
\$50,000 > \$100,000	Superintendent of Business	Superintendent of Business & Director of Education
\$100,000 +	Approval Committee	Trustees

5.0 Contracted Services

5.1 Each of contracted service contract’s original term will be for a defined period of up to five years, with the option to renew up to a maximum of two years. At the end of the contract term, the contract will be retendered.

Definitions:

Procurement is the process by which the Board acquires goods, services or construction.

Procurement Committee consists of the Superintendent of Business or designate, the Budget Manager (Principal, Manager of Plant Operations and Maintenance, Information Technology Services Manager, etc.), and the Purchasing Clerk.

Consulting Services means the provision of expertise or strategic advice that is presented for consideration and decision-making.

Direct Award is single or sole source procurement outside of the competitive process. A direct award will only be employed in specific circumstances, as further defined in Procurement Procedure 8.09.

<u>CROSS REFERENCE</u>	<u>Date Approved</u>	<u>LEGAL/MINISTRY OF EDUCATION REFERENCE</u>
Policy 3.86 Code of Conduct for Employees	<u>Board Motion</u>	Broader Public Sector
Policy 2.30 Accessibility Standards	<u>Review Prior to</u> 2019	
Procedure 8.09 Procurement		

Schedule 1

Applicable Laws, Trade Agreements and Regulations

1. Procurement activities at the Board must be conducted in accordance with all laws, regulations and standards, including, but not limited to:
 - i. *Income Tax Act* and Regulations
 - ii. *Excise Tax Act* and Regulations
 - iii. *Occupational Health and Safety Act* and Regulations
 - iv. *Worker's Compensation Act* and Regulations
 - v. *Access for Ontarians with Disabilities Act, 2005* and Regulations
 - vi. *Municipal Freedom of Information and Protection of Privacy Act* and Regulations
 - vii. *Education Act* and Regulations
 - viii. *Competition Act* and Regulations
 - ix. *Broader Public Sector Accountability Act*
 - x. *Broader Public Sector Procurement Directive*
 - xi. *Broader Public Sector Expenses Directive*
 - xii. All Board policies and procedures

2. Procurement activities at the Board must comply with the following binding Trade Agreements:
 - i. Agreement on Internal Trade (AIT) – all Provinces and Territories (except Nunavut)
 - ii. Trade and Cooperation Agreement between Ontario and Quebec – Ontario and Quebec