

TABBY TOWN URBAN HOUSING
CO-OPERATIVE CORPORATION

BY-LAW NO.17

CONFLICT OF INTEREST

Passed by the Board of Directors on the 20th day of January, 2011.

Confirmed by the Members on the 28th day of April, 2011.

Tabby Town Urban Housing Co-operative Corporation

Conflict of Interest By-Law No.17

1. BACKGROUND

- a) The housing provider recognizes it is good business practice to avoid Conflicts of Interest.
- b) The Province of Ontario, pursuant to the Social Housing Reform Act, 2000, has issued Ontario Regulation 339/01, which includes the Government's rules relating to Conflict of Interest and other business practices (refer to Schedule A for a summary of these rules). CITY OF HAMILTON, acting as Service Manager for Hamilton Region, has mandated a Notice 09-12 which includes the local requirements relating to Conflict of Interest and other business practices.
- c) This By Law sets out how the housing provider addresses Conflicts of Interest including implementing the requirements of Ontario Regulation 339/01 and CITY OF HAMILTON Policy.

2. DEFINITIONS - In This By Law:

2.1 **“Conflict of Interest”** means a situation where:

- i) the personal or business interests of a director, officer, agent or employee of a housing provider are in conflict with the interests of the housing provider; or
- ii) a personal gain, benefit, advantage or privilege is directly or indirectly given to or received by a director, officer, agent or employee or a person related to any one of them as a result of a decision by the housing provider; and includes
 - a) the housing provider giving a direct or indirect gain, benefit, advantage or privilege to a director, officer, agent or employee or a person related to any one of them;
 - b) a director, officer, agent or employee or a person related to any one of them receiving a direct gain, benefit, advantage or privilege from the housing provider as a result of the person's position within the housing provider;
 - c) the housing provider, in offering housing accommodation or in setting rents or occupancy charges, giving any advantage or privilege to directors who are members that is not available to members who are directors.

2.2 **“Declaration”** means a declaration in the form attached as Schedule “B” to this By Law.

2.3 **“Director”** means a member of the board of Directors of the housing provider.

2.4 **“Officer”** means the president, chair, vice-president, secretary, treasurer, manager and anyone else designated as an office in the By Laws of the housing provider.

2.5 **“Person related to any one of them”** means a parent, spouse, same sex partner, child, household member, sibling, uncle, aunt, nephew, niece, mother in law, father in law, sister in law, brother in law, grandparent of the director, officer, agent, employee, a person with whom the director, officer, agent, or employee has a business relationship.

2.6 **“Service Manager”** means City of Hamilton as defined in Section 2 of the Social Housing Reform Act, 2000, and includes any person exercising the powers of the service manager under Section 16 of the Social Housing Reform Act, 2000.

3. AVOIDING CONFLICT OF INTEREST

3.1 Exceptions - The housing provider shall not enter into a relationship arrangement, contract or agreement with any person in a way that creates a Conflict of Interest, except that:

a) provided that a notice of potential; perceived or actual or Conflict of Interest has been delivered to CITY OF HAMILTON and CITY OF HAMILTON agrees there is no reasonable alternative, the housing provider may enter into a relationship, arrangement, contract or agreement that normally would be a Conflict of Interest, given specific conditions to limit the Conflict of Interest as set out by the housing provider and approved by CITY OF HAMILTON ;

3.2 Duty to Monitor and Avoid Conflict of Interest - The housing provider shall closely monitor its relationships, arrangements, contracts and agreements, and not engage in any that may result in a Conflict of Interest. The Directors, individually and collectively, shall ensure compliance with this requirement.

3.3 Termination - Subject to employment law in force in Ontario and any collective-bargaining agreements to which the housing provider is party, all relationships, arrangements, contracts or agreements of the housing provider should include a clause permitting the housing provider to terminate the relationship, arrangement, contract or agreement if the housing provider or CITY OF HAMILTON requires such termination in order to resolve Conflict of Interest.

3.4 Directors Must Resign - Except as set out in subsection 3.1, a Director shall resign from her/his position before the housing provider's board of Directors deliberates, issues a tender or votes on a contract or employment position for which the Director intends to compete.

3.5 Former Directors and Officers - Except in the circumstances set out in subsection 3.1, no former director or officer may apply for employment with the housing provider or seek to enter into a contract to supply services to the housing provider directly or indirectly for a period of one year following the date she/he ceases to be a Director or Officer

3.6 Purchase or Lease of Land - Where the housing provider purchases or leases land, it shall not purchase or lease such land from:

a) an individual; or

b) a corporation which has a shareholder, director or officer; who is a director, officer, agent, employee development consultant/resource group, architect, or other technical consultant, real estate agent, or environmental consultant of the housing provider or any persons related to one of them.

4. BOARD PROCEDURES

4.1 Conflict of Interest - The board shall have Conflict of Interest as a regular item at the beginning of each meeting of the Directors, general members meeting or annual general meeting. Any director, officer, agent, member or employee who has a Conflict of Interest must submit their Declaration at that time.

4.2 Declaration of Conflict of Interest - Directors, officers, agents and employees of the housing provider must notify the Chair of the board of Directors of the housing provider of every potential, perceived or actual Conflict of Interest no later than the first meeting of the

board after the situation, arrangement or agreement that results in or may result in a Conflict of Interest. The form of such declaration is attached as Schedule "B".

- 4.3 Potential or Perceived Conflict of Interest - When a potential or perceived Conflict of Interest is raised before or during a board meeting, then:
- a) the party to the potential or perceived conflict must leave the meeting; and
 - b) the board shall decide if there is a Conflict of Interest
- 4.4 Consideration of Notice - The board of Directors shall consider any declaration given under subsection 4.2 no later than the second meeting of the board after the notice is given. The consideration of the notice must be reflected in the minutes of the meeting.
- 4.5 Resolution of a Conflict of Interest - The board shall notify CITY OF HAMILTON of any declaration received under subsection 4.2. The notification to CITY OF HAMILTON shall include one of the following;
- a) if a person filed a declaration of a potential or perceived Conflict of Interest and the board decided there was in fact no such Conflict, there must be a declaration to that effect and a request that CITY OF HAMILTON ratify this decision, or
 - b) if a Conflict of Interest exists which may be resolved in accordance with this By Law and Ontario Regulation 339/01, there must be notification of how the housing provider has resolved the Conflict of Interest and a request that CITY OF HAMILTON ratify such resolution, or
 - c) if a Conflict of Interest exists which the board is unable to resolve in accordance with this By Law and Ontario Regulation 339/01, or the Conflict of Interest is of "on-going" nature, there must be a request that CITY OF HAMILTON issue instructions for resolving the Conflict of Interest. These requests are part of the attached Schedule "B".
- 4.6 Conflict to be Resolved to CITY OF HAMILTON 's Satisfaction - If CITY OF HAMILTON issues instructions regarding an alternative to a decision made by the board under subsection 4.5a) or b) or a resolution under subsection 4.5c) the housing provider will act in accordance with CITY OF HAMILTON 's instructions.
- 4.7 On-Going Conflict of Interest - Where the Conflict of Interest is on-going or is not easily resolved, the housing provider is required to have clear, concise and written procedures detailing how an on-going conflict of Interest is declared, isolated and resolved which is approved by the board and CITY OF HAMILTON .
- 4.8 Record Keeping - The housing provider shall maintain a Conflict of Interest file containing all declarations, reports and minutes pertaining to Conflict of Interest and Potential or Perceived Conflict situations.
- 4.9 Requirement to Confirm Receipt and Knowledge of the Conflict of Interest By Law -The housing provider is required to have all directors, officers, agent and employees sign a form acknowledging that the individual has been provided with a copy of the Conflict of Interest By Law, has read it and fully understands their responsibility to declare a potential or actual Conflict of Interest in accordance with the By Law. The declaration should be signed when a director, officer, agent or employee first takes a position with the housing provider or begins their employment with the housing provider or when the revised Conflict of Interest By Law comes into force. A copy of the declaration must be retained in the Conflict of Interest file for the full period of the director, officer, agent or employee's

involvement with the housing provider. A copy of the declaration is attached as Schedule "C".

5. PROMOTING FAIR AND OBJECTIVE BUSINESS PRACTICES

- 5.1 Tenders - The housing provider shall invite as many contractors to bid on a job to ensure that at least three qualified bidders submit a bid, or publicly tender all contracts costing over \$14,999.99.
- 5.2 Considering Tenders - In considering tenders, the housing provider shall:
- a) consider the quality of the goods and services to be provided; and
 - b) base its decision on written specifications outlining resources, timing and fees
- 5.3 Not Choosing Low Bid - Where the lowest bid is not chosen by the board of Directors (or by the person ordinarily responsible for making this decision), the housing provider shall ensure that the reasons are documented and approved by the board in the form of a board resolution.
- 5.4 Contracts Under \$15,000 - The housing provider shall obtain a minimum of three written quotes for any contract costing between \$2000.00 and \$14999.99 in any fiscal year, and adopt clear, fair, written procedures for the awarding of contracts under \$2000.00. Contracts that are under \$2000.00 should be awarded based on the best value for money.
- 5.5 Participation in Co-operative Purchasing Programs - Where the housing provider participates in a co-operative purchasing program, the procedures of the co-operative purchasing program shall replace the housing provider's internal procedures for competitive acquisition of goods and services for the duration of the housing provider's participation in the co-operative purchasing program. The housing provider shall report its participation in such programs to CITY OF HAMILTON on an annual basis.
- 5.6 Recommended Purchasing/Tendering Processes - A housing provider will follow the recommended Purchasing and Tendering processes as outlined in the By Law including:
- a) For contracts with an estimated value of between \$2,000.00 and \$14,999.99 related to a specific project with a limited time-frame and which can be clearly defined, the housing provider shall seek an appropriate supplier by:
 - i) preparing terms of reference for the work,
 - ii) seeking three competitive bids with associated fixed price quotations and
 - iii) awarding the contracts based on an assessment of the qualifications of the supplier, the information provided in the proposal, and the price.
 - b) For contracts with an estimated value exceeding \$15,000.00 which require on-going provision of professional advice or specified goods and services to the housing provider, requiring knowledge of matters specific to the housing provider (such as legal advice, audit services or specialized technical advice), the housing provider shall seek an appropriate supplier by:
 - i) preparing terms of reference for the work,
 - ii) inviting offers of service by:
 - (1) giving notice by public advertisement of the requirement to engage the services(Public Tender)
 - (2) inviting submissions from those individuals or firms who appear best qualified to

- meet the requirement of the engagement or to pre-qualified firms (Invitational Tender)
 - iii) rate the offers of service against the terms of reference to identify the offer of service which represents the best value for money based on the qualifications of the supplier, the information provided in the proposal, and the price; and
 - iv) select the firm offering the best value for money.
- c) The housing provider shall keep records of all contracts and tender, the list of bidders, their submissions and fees, the decisions of the co-operative, and any other related materials in a Purchasing/Tender file.
- 5.7 Purchase of Professional Services - Where the housing provider is purchasing professional or consulting services the same monetary limitations identified under Section 5.1, 5.4 and 5.7 will apply to all professional fees for service contracts and consulting contracts.
- 5.8 Emergencies - Where an emergency prevents the housing provider from following other provisions of the By Law, the housing provider shall;
- a) employ without a call for proposals the individual or firm in whom the housing provider has the greatest confidence in regard to that particular requirements of the housing provider in dealing with this emergency;
 - b) ensure the employment of the individual or firm lasts no longer than necessary to deal with the emergency; and
 - c) keep records of the appointment and employment and remuneration of the individual firm.
- 5.9 Employment Contracts - The housing provider shall implement documented open and competitive practices for employment opportunities which are not inconsistent with:
- a) any collective bargaining agreement of the housing provider; and
 - b) other fair labour practices as set out in the Personnel Policy of the housing provider.
- 6.0 Management Contracts - The property manager/management or operational services company/development consultant of the housing provider shall not have a direct or indirect interest in any other business that provides advice, goods or services to the housing provider.
- 6.1 Housing Provider Staff - Management and staff who are responsible to assign contracted work, approve contracted work, authorize payment for contracted work and who may also be a payment authority for the housing provider, should not use these same contractors for personal purposes or in any way engage the services of these same contractors for work of a personal nature. This includes any contractor on an approved standing list of contractors regularly working for the housing provider. Housing provider staff must declare a potential, perceived or actual Conflict of Interest where this has occurred and the Conflict of Interest must be resolved to the satisfaction of the board of Directors and CITY OF HAMILTON .

CERTIFIED to be a true copy of By-law No.17 of Tabby Town Urban Housing Co-operative Corporation, passed by the Board of Directors and sealed with the corporate seal of the Corporation on the 20th day of January, 2011.

CONFIRMED at a general meeting of the Members on the 28th day of April, 2011.

Tonya Haidet

President

G. Ludevan

Secretary

c/s

Schedule "A" to Conflict of Interest By-Law No.17

Summary of Obligations

This is a summary of the Conflict of Interest rules set out in Ontario Regulation 339/01, for all housing providers subject to the Social Housing Reform Act, 2000.

1. A Conflict of Interest is defined as a situation where:
 - i) the personal or business interests of a director, officer, agent or employee of a housing provider are in conflict with the interests of the housing provider; or
 - ii) a personal gain, benefit, advantage or privilege is directly or indirectly given to or received by a director, officer, agent, employee, or a person related to them as a result of a decision by the housing provider.
2. "A person related to a director, officer, agent, employee" includes a parent, spouse, child, household member, sibling, uncle, aunt, nephew, niece, mother in law, father in law, sister in law, brother in law, grandparent, a person with whom the director, officer, agent or employees has a business relationship.
3. A director, officer, agent or employee of the housing provider shall not enter into any situation, arrangement or agreement that results in a Conflict of Interest.
4. Directors, officers, agents, and employees of the housing provider must notify the Chair of the board of Directors of the housing provider of every potential or actual Conflict of Interest no later than the first meeting of the board after the director, officer, agent or employee becomes aware that he or she has entered into a situation, arrangement or agreement that results in or may result in a Conflict of Interest.
5. The board of Directors shall consider any notice given under paragraph 4 no later than the second meeting of the board after the notice is given. The consideration of the notice must be reflected in the minutes of the meeting.
6. The Chair of the board of Directors shall notify CITY OF HAMILTON in writing of the receipt of every notice under paragraph 4, and the board of Directors shall resolve every Conflict of Interest to the satisfaction of CITY OF HAMILTON .
7. Despite paragraph 3, a director, officer, agent, employee or a person related to one of them may directly or indirectly receive a gain, benefit, advantage, privilege or remuneration from the housing provider if both the following conditions are satisfied:
 - a) a notice of the Conflict of Interest or potential Conflict of Interest is given in accordance with paragraph 4; and
 - b) CITY OF HAMILTON agrees that there is no reasonable alternative for the housing provider other than entering into the situation, arrangement or agreement that results in or may result in the Conflict of Interest.
8. The Conflict of Interest provisions set out above may be replaced for a housing provider by rules agreed to by the housing provider and CITY OF HAMILTON for all areas in which its projects that are subject to the Social Housing Reform Act, 2000 are located.

Schedule "B"
to
Conflict of Interest By-Law No.17

Notification of a Potential, Perceived or Actual Conflict of Interest

Part 1: Name of Non-Profit/Co-operative

Contact Person: _____

Address: _____

Part 2: To be completed by the director, officer, agent, or employee with the conflict

Name: _____

Address: _____

Briefly describe the potential, perceived, or actual conflict (add any relevant supporting documentation)

Signature / Date

Part 3: To be completed by the Chair of the Board or Designate

Date of Receipt of Notice: _____

Date of Meeting at which the Conflict was considered: _____

Did the board decide a Conflict of Interest existed as set out in Part 2 above? (NO-go to part (a), Yes-go to part (b))

- (a) If no, complete the following declaration:
‘I certify that the board of Directors described above decided that in fact no Conflict of Interest exists. I request ratification by CITY of HAMILTON of this decision of the housing provider’

Signature / Date

- (b) Was the conflict resolved in accordance with the housing provider's By-laws, *O.Reg 339/01* and CITY OF HAMILTON's local policy.

Complete only one of the two boxes below

- Yes, briefly describe the resolution of the conflict (add any relevant supporting documentation)

"I certify this is a true record of the Conflict of Interest and its resolution. I request ratification by CITY of HAMILTON, of the decision of the housing provider".

Signature / Date

- Yes, briefly describe the resolution of the conflict (add any relevant supporting documentation)

"I certify this is a true record of the conflict of interest and that the housing provider was unable to bring about a resolution. I hereby request instruction from CITY of HAMILTON, regarding resolution of this conflict of interest.

Signature / Date

Part 4: City of Hamilton Response / Direction

Signature / Date

Schedule "C"
to
Conflict of Interest By-Law No.17

Acknowledgement of Receipt / Review of the Conflict of Interest By-law

Part 1: Non-Profit/Co-operative Information

Contact Person: _____

Address/Phone Number: _____

Part 2: To be completed by the director, officer, agent, or employee

Name: _____

Position: _____

This will acknowledge and confirm that I have received, read and understand the housing provider's Conflict of Interest By-law and acknowledge that as a director, officer, agent, employee, I am required to comply with all terms and conditions of the Conflict of Interest by-law and of *O. Reg 339/01, s 4, of the Social Housing Reform Act, 2000.*

I further acknowledge my responsibility to disclose to the housing provider and City of Hamilton all potential or actual Conflicts of Interest, which, may arise or exist while acting in my role with the housing provider, in accordance with the approved Conflict of Interest by-law.

Signature / Date

NOTE: *This declaration should be signed when a director, officer, agent or employee first takes a position with the housing provider or begins their employment with the housing provider or when the by-law comes into effect. A copy of the declaration must be retained on Conflict of Interest file for the full period of the director, officer, agent, employee's involvement or employment with the housing provider.*