

BY-LAW No. 2

OF

Ridge Marsh Manor Inc.

CONFLICT OF INTEREST BY-LAW #2

BE IT ENACTED as a By-Law of the Non-Profit to repeal and replace By-Law No. 2, Conflict of Interest as follows:

1. **BACKGROUND**

- a) The Non-Profit recognizes it is good business practice to avoid Conflicts of Interest
- b) The Government 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. Schedule "A" contains a summary of these rules.
- c) This By-Law sets out how the Non-Profit addresses Conflicts of Interest including implementing the requirements of Ontario Regulation 339/01.

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 Non-Profit are in conflict with the interests of the Non-Profit; 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 Non-Profit; and includes
 - a) the Non-Profit 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 Non-Profit as a result of the person's position within the Non-Profit;

c) the Non-Profit, in offering housing accommodation or in setting rents or other occupancy charges, giving any advantage or privilege to directors who are tenants that is not available to tenants who are not 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 Non-Profit.
- 2.4 **“Officer”** means the president, chair, vice-president, secretary, treasurer, manager and anyone else designated as an officer in the By-Laws of the Non-Profit.
- 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 a Service Manager 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*.
- 2.7 **“Threshold”** means more than an amount, accepted as such by the Service Manager, which is lesser of:
- a) \$2,000.00 and or \$5,000.00 and
 - b) \$14,999.00 and or \$19,999.00

The appropriate monetary level is determined by the number of units under administration. Less than 250 units, the thresholds are \$2,000 and \$14,999. Where there are 250 units or more, the thresholds are \$5,000 and \$19,999.

3. AVOIDING CONFLICT OF INTEREST

- 3.1 Exceptions – The Non-Profit 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 the Service Manager and the Service Manager agrees there is no reasonable alternative, the Non-Profit may enter into a relationship, arrangement, contract or agreement that normally would be the Conflict of Interest, given specific

conditions to limit the Conflict of Interest as set out by the Non-Profit and approved by the Service Manager;

- b) a Director who lives in the Non-Profit may be employed by the Non-Profit on a part-time basis to perform routine tasks such as administrative, maintenance or operational tasks with respect to the Non-Profit's project/portfolio.
 - c) a Director may be employed by the Non-Profit in a non-managerial or non-supervisory position, provided that where the Board of Directors consists of not more than five Directors, there shall not be more than one Director so employed at any one time. If there are more than five Directors, the total number of Directors so employed may not exceed one-fifth of the board.
 - d) some or all of the Directors may also sit as Directors of an organization that supplies essential support services for special-needs clients residing in the Non-Profit's project/portfolio, where the project/portfolio exists specifically so that residents can live in the community with the support services provided; and
 - e) the Directors may be paid a modest *per diem* or an honorarium if a provision allowing such remuneration is contained in the Letters Patent or Articles of Incorporation for the Non-Profit.
- 3.2 Duty to Monitor and Avoid Conflict of Interest – The Non-Profit 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 Non-Profit is party, all relationships, arrangements, contracts or agreements of the Non-Profit, which exceed the Threshold in any one fiscal year of the Non-Profit, shall include a clause permitting the Non-Profit to terminate the relationship, arrangement, contract or agreement if the Non-Profit or Service Manager requires such termination in order to resolve a 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 Non-Profit's Board of Directors deliberates, issues a tender, or votes on a contract or employment position for which the Director intends to complete.
- 3.5 Former Directors and Officer – Except in the circumstances set out in subsection 3.1, no former director or officer may apply for

employment with the Non-Profit or seek to enter into a contract to supply services to the Non-Profit directly or indirectly for a period of one (1) year following the date she/he ceases to be a Director or Officer.

- 3.6 Purchase or Lease of Land – Where the Non-Profit 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 Non-Profit 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 agenda 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 Non-Profit must notify the Chair of the Board of Directors of the Non-Profit 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 the Service Manager of any declaration received under subsection 4.2. The notification to the Service Manager 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, a declaration to that effect and a request that the Service Manager 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, notification of how the Non-Profit has resolved the Conflict of Interest and a request that the Service Manager 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, a request that the Service Manager issue instructions for resolving the Conflict of Interest. These requests are part of the attached Schedule “B”.
- 4.6 Conflict to be Resolved to the Service Manager’s Satisfaction – If the Service Manager 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 Non-Profit will act in accordance with the Service Manager’s instructions.
- 4.7 On-Going Conflict of Interest – Where the Conflict of Interest is on-going or is not easily resolved, the Non-Profit 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 the Service Manager.
- 4.8 Record-Keeping – The Non-Profit 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 Non-Profit 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 understand their responsibility to declare a potential or actual Conflict of Interest in accordance with the approved By-Law. The declaration should be signed when a director, officer, agent or employee first takes a position with the Non-Profit or begins their employment with the Non-Profit or when the revised Conflict of Interest By-Law comes into force. A copy of the declaration must be retained on the Conflict of Interest file for the full period of the director, officer, agent or employee’s involvement or employment with the Non-Profit. A copy of the declaration is attached as Schedule “C”.

5. PROMOTING FAIR AND OBJECTIVE BUSINESS PRACTICES

- 5.1 Tenders – The Non-Profit shall invite responses from at least three qualification bidders, or publicly tender all contracts costing over \$14,999.99. For Non-Profits with 250 units or more, the tender limit may be increased from \$14,999.99 to \$19,999.99.
- 5.2 Considering Tenders – In considering tenders, the Non-Profit shall:
- a) consider the quality of the goods and services to be provided; and
 - b) base its decision on written specifications outlining resources, timing, cost 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 Non-Profit 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 Non-Profit shall obtain a minimum of three written quotes for any contract costing between \$2,000.00 and \$14,999.99 in any fiscal year, and adopt clear, fair and written procedures for the awarding of contracts under \$2,000.00. For Non-Profits with 250 units or more, the limit to obtain a minimum of three written quotes may be increased from \$2,000.00 to \$5,000.00.
- 5.5 Participation in Cooperative Purchasing Programs – Where the Non-profit participates in a cooperative purchasing program; the procedures of the cooperative purchasing program shall replace the Non-Profit's internal procedures for competitive acquisition of goods and services for the duration of the Non-Profit's participation in the cooperative purchasing program. The Non-Profit shall report its participation in such programs to the Service Manager on an annual basis.
- 5.6 Recommended Purchasing/Tendering Processes – A Non-Profit 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 (or \$5,000.00) and \$14,999.99 (or \$19,999.99) related to a specific project with a limited time-frame and which can be clearly defined, the Non-Profit 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 (or \$20,000.00) which require ongoing provision of professional advice or specified goods and services to the Non-Profit, requiring knowledge of matters specific to the Non-Profit (such as legal advice, audit services or specialized technical advice), the Non-Profit 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 (Invitation 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 Non-Profit shall keep records of all contracts and tenders, the list of bidders, their submissions and fees, the decisions of the Non-Profit, and any other related materials in a Purchasing/Tender file.

5.7 Purchase of Professional Services – Where the Corporation 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 fee for service contracts or consulting contracts.

5.8 Emergencies – Where an emergency prevents the Non-Profit from following other provisions of this By-Law, the Non-Profit shall:

a) employ without a call for proposals the individual or firm in whom the Non-Profit has the greatest confidence in regard to a particular requirements of the Non-Profit 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 of the employment and remuneration of the individual or firm.
- 5.9 Employment Contracts – The Non-Profit shall implement documented, open and competitive practices for employment opportunities which are not inconsistent with:
- a) any collective bargaining agreement of the Non-Profit; and
 - b) other fair labour practices as set out in the Personnel Policy of the Non-Profit.
- 6.0 Management Contracts – The property manager/management or operational services company/development consultant of the Non-Profit shall not have a direct or indirect interest in any other business that provides advice, goods or services to the Non-Profit.
- 6.1 Non-Profit 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 Non-Profit, 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 of regularly working for the Non-Profit. Non-Profit 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 the Service Manager.

PASSED by the Board of Directors and sealed with the corporate seal of the Corporation on the 19 day of October, 2011.


PRESIDENT


SECRETARY

Schedule "A"

To

By-Law No. 2

Summary of Obligations

This is a summary of the Conflict-of-Interest rules set out in *Ontario Regulation 339/01*, for all non-profit 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, same-sex partner, 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 the Service Manager in writing of the receipt of every notice under paragraph 4, and the Board of Directors shall resolve every Conflict of Interest or potential Conflict of Interest to the satisfaction of the Service Manager.

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) the Service Manager 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 the Service Managers for all areas in which its housing projects that are subject to the *Social Housing Reform Act, 2000* are located.

Schedule "B"

To

By-Law No. 2

Notification of a Potential, Perceived or Actual Conflict of Interest

Part 1: Ridge Marsh Manor Inc.

Contact Person: Barbara G. Moss, Senior Property Manager

Address: Unit E-456 Southdale Rd. E., London, ON N6E 1A3

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 the Service Manager of this decision of the Non- Profit"

Signature/Date

- (b) Was the conflict resolved in accordance with the Non-Profit's By-Laws and *O.Reg 339/01*.

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 the Service Manager, of the decision of the Non-Profit".

Signature/Date

- No**, briefly describe why the conflict could not be resolved (add any relevant supporting documentation)

"I certify this is a true record of the Conflict of Interest and that the Non-Profit was unable to bring about a resolution. I hereby request instruction from the Service Manager, regarding resolution of this Conflict of Interest."

Signature/Date

Schedule "C"

To

By-Law No. 2

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

Part 1: Ridge Marsh Manor Inc.

Contact Person: Barbara G. Moss, Senior Property Manager

Address/Phone Number: Unit E-456 Southdale Rd. E., London, ON N6E 1A3
519-681-5774

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 Non-Profit 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 Non-Profit and Service Manager all potential or actual Conflicts of Interest, which, may arise or exist while acting in my role with the Non-Profit, 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 Non-Profit or begins their employment with the Non-Profit 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 Non-Profit.