



Office of the Municipal Auditor General,
The Corporation of the City of Windsor

April 16, 2025

Auditor General Investigation Results Regarding Tendered Work

REPORT

Executive Summary

Background

The complainant alleges that the City is not allocating dirty yard clean-up work equitably or fairly among contracted vendors. Specifically, they assert that one vendor is consistently favoured—despite not offering the lowest cost, receiving most work assignments and billing at inflated prices. The complainant also claims that their work is of high quality and low cost, yet they are being excluded based on complaints from a single bylaw officer. Additionally, they allege that a City employee made a false statement regarding which they, as the contractor, received the most work in a given period.

Investigation Approach

1. Acquired a listing of payments issued regarding Dirty Yards Cleanup from April 1, 2023, through July 4, 2024, and identified trends and payment dispersal.
2. Met with Administration to understand the process and discuss trends identified and considerations.
3. Developed specific procedures to consider each of the detailed allegations provided by the complainant.
4. Reviewed the Pre-Qualification document and responses by selected bidders, the RFT, and related responses to understand the governing agreements.
5. For the allegations related to the dispersion of work:
Considered system information on the overall dispersion of dirty yard cleanup costs/payment and reviewed the RFT/Pre-Qual to determine what commitments the City made regarding how work would be allocated, or disclosure, or such method.
Considered information for previous service providers.
6. For allegations of misrepresentation (falsehood) by Administration: Considered the notes and evidence noted in testing.
7. For the allegations related to several specific statements:
Investigated if the complainant was included in the next Pre-Qual and if vendor performance records supported such an approach.
8. For the allegations related to another specific contractor:
Reviewed city controls to validate the effort level reported by the contractor and reviewed invoices for the period noted in the allegation.
9. For the allegations related to City personnel behaviour (see *Scope Exclusion note below*).

Scope Exclusion & Approach Adaptation

This audit considered the majority of the allegations; however, for the specific allegation related to “Personal mistreatment at the hands of City personnel,” an exclusion was made per the Concerned Citizen and Employee Protocol. The allegation had not been fully escalated through Senior Administration or HR (a requirement before this office investigates such allegations).

However, given that the complainant submitted the concern as part of several allegations and work was conducted wherein cooperative evidence might be observed to support or refute the mistreatment allegation, the mistreatment allegation will be considered when conducting investigative work. Should evidence related to these concerns emerge in the normal course of audit procedures, the allegation will be noted for potential future review.

If this approach does not meet the needs of the complainant, then they should escalate this issue to the responsible Commissioner or Human Resources first.

Summary of Conclusion and Findings

Overall Conclusion: While the allegation may be perceived as warranted upon an initial reading, **the investigation did not find evidence to support the allegations.** However, findings were noted for Administration's consideration. Below is a summary by allegation:

Allegation #1: The complainant alleges that the City is not allocating dirty yard clean-up work equitably or fairly among contracted vendors.

Conclusion: The allegation is **not supported** by the evidence. The allegation assumes that work distribution is to be more equitable or fair; however, the work allocation is based on Administration's discretion as per the agreed to contract. A future-oriented finding for Administration was noted.

Allegation #2: Specifically, the complainant asserts that one vendor is consistently favoured—despite not offering the lowest cost, receiving most work assignments and billing at inflated prices.

Conclusion: The allegation is **not supported** by the evidence. The allegation assumes that work distribution is to be more equitable or fair; however, the work allocation is based on Administration's discretion as per the agreed to contract. A future-oriented finding for Administration was noted. Regarding

inflated costs, the specified vendor testing did not detect such concerns.

Allegation #3: The complainant also claims that their work is of high quality and low cost, yet they are being excluded based on complaints from a single bylaw officer.

Conclusion: The allegation is **not supported** by the evidence. The allegation assumes that the feedback from residents supersedes Administration's performance rating and contract compliance assessment. While residents may be pleased with the service provider's performance, the key metric of contract compliance, job completion within 1-3 days of notice and completion to by-law officer specifications are critical components given the nature of this work and its place in the Dirty Yard Clean Up cycle and performance timeline.

Allegation #4: Additionally, the complainant alleges that a City employee made a false statement regarding which they, as the contractor, received the most work in a given period.

Conclusion: The portion of the allegation which could be considered is **not supported** by the evidence.

The following recommendations are based on the investigation's findings; however, Administration has indicated that many, if not all, of these considerations have been incorporated into the current process. Administration should ensure that the recommendations are fully reflected in ongoing practices.

Recommendations for Administration regarding:

1. Administration should consider the desired intent of the Dirty Yard tender and ensure that the work allocation and funds dispersion support that strategy.
2. Where there are criteria a service provider must comply with or may be required to comply with, Administration should ensure these are included in the RFT. When criteria are added during a tender period, the rationale and advance notification should be provided.
3. Administration should consider a retrospective and a prospective evaluation of the site-specific effort.

Management has provided responses to address the findings.

Contextual Information

The City of Windsor has bylaws in place regarding yard maintenance, including requirements for grass length, weed control, and proper disposal of garbage and debris, with penalties for non-compliance.

Complaints and Enforcement:

- The city encourages residents to report concerns about dirty yards or other bylaw violations by calling 311.
- Bylaw officers conduct site inspections and issue orders to comply, with a 7-day timeframe for property owners to bring their property up to bylaw standards.
- If a property owner fails to comply, the city can conduct a clean-up with the expenses applied to the property tax bill.

In 2024, the city received 12,000 dirty yard complaints, which included long grass, nuisance shrubs and landscaping, garbage and debris, or even household items left outdoors.

The City has engaged external service providers to conduct various dirty yard clean-up activities when the property owner fails to comply with bylaw notices. These vendors generally provide towing, tree/arborist, or broader dirty yard clean-up services.

Based on a system report of invoices between April 1, 2023, and July 4, 2024, the City recorded invoices payable of \$498,538.87. Of this total, \$45,539.09 is related to tree and towing. The remaining \$452,821.72 relates to the broader dirty yard clean-up services.

To conduct the broader dirty yard clean-up services, the City issued a Pre-Qualification and subsequent RFT, in which three specific providers entered into agreements with the City. During the early part of the tender timeframe, one of the providers indicated they wished to withdraw and would not respond to further requests. As such, only two providers were engaged and responding under the agreements for much of the tender timeframe.

To understand how work is allocated, a discussion with management was conducted. Criteria for work assignment to vendors were items such as: past performance of the vendors, job size/nature, ability to complete the job within the timeline, equipment needs, efficiency and value/cost. The timeframe for a service provider to complete the job is within one to three days of authorization of the commencement order.

Of the \$498,538.87 of invoices considered between April 1, 2023, and July 4, 2024, the allocation of effort by invoice is as follows:

Vendor	Amount of Invoice in Period	% of Total
A	\$403,538.87	89.12%
B	\$45,671.88	10.09%
C	\$3,610.97	0.8%

In the scope period, 636 orders were initiated to engage external service providers for clean-up related to the Dirty Yards Bylaws.

In evaluating the overall cost and effort associated with Dirty Yard clean up, it is important to understand that the total cost will include time and fees associated with travel to/from, waiting and tipping at the dump/landfill, onsite time waiting for police or bylaw support/intervention, etc..

In evaluating the appropriateness of the service provider invoices, the rate for the labour is defined by the RFT agreement. The variable is the hours incurred. Together, these provide the total labour cost incurred by the service provider for dirty yard clean-up before allowable expenses and taxes.

Where Health & Safety concerns or vendor performance concerns are present, and when determined by Administration, the by-law officer can require that they are present at the beginning, during and end of work or any combination thereof, requiring that work be conducted during the bylaw officer's working hours.

Below is a table of annual disbursements related to Dirty Yard Work payments over the years:

Vendor	Sum of Invoice Total					
	2020	2021	2022	2023	2024	Grand Total
A	\$ 195,912.48	\$ 263,695.31	\$ 262,064.03	\$ 306,761.68	\$ 370,596.62	\$ 1,399,030.12
B		\$ 16,117.29	\$ 20,795.46	\$ 28,387.12	\$ 20,354.50	\$ 85,654.37
C	\$ 57,690.93	\$ 831.83			\$ 15,725.49	\$ 74,248.25
D	\$ 26,595.17	\$ 29,781.03	\$ 5,833.90	\$ 4,214.36		\$ 66,424.46
E					\$ 13,829.67	\$ 13,829.67
	\$ 280,198.58	\$ 310,425.46	\$ 288,693.39	\$ 339,363.16	\$ 420,506.28	\$ 1,639,186.87

General research at the Federal, Provincial, Municipal, Case Law and Good Practices was conducted before the investigation. The following common principles were noted in that research:

In case of multi-vendor contracts where management has discretion over work allocation:

1. Discretion should be exercised in good faith: Decisions should align with the contract's purpose and not be arbitrary or capricious.
2. Impact on vendors' expectations: While adverse effects on a vendor's profits do not automatically indicate bad faith, decisions that undermine the contract's fundamental objectives may breach the duty of good faith.
3. Documentation and transparency: Maintaining records of decision-making processes can demonstrate that discretion was exercised appropriately.

In summary, while management retains discretion in allocating work under multi-vendor contracts, this discretion is bounded by the duty to act in good faith, ensuring decisions are made honestly, reasonably, and aligned with the contract's objectives.

Summary of Investigation Approach Results

#	Approach	Summary of Key Findings
1	Acquire a listing of payments issued regarding Dirty Yards Cleanup from April 1, 2023, through July 4, 2024, and identify trends and payment dispersion.	<p>Acquired a listing of payments issued regarding Dirty Yards Cleanup from April 1, 2023, through July 4, 2024, and identified trends and payment dispersion.</p> <ul style="list-style-type: none"> The total invoices recorded in the period was \$498,538.87. Of this total, \$45,539.09 is related to tree and towing. The remaining \$452,821.72 relates to the broader dirty yard clean-up services. Of the broader dirty yard cleanup services: <ul style="list-style-type: none"> Vendor A accounted for \$403,538.87. Vendor B accounted for \$45,671.88. Vendor C accounted for \$3,610.97. <i>(This vendor elected not to renew in May 2023.)</i> One vendor accounted for 89.12% of all invoiced broader dirty yard cleanup services. <p>As per the 5-year disbursement summary to each vendor, the same service provider received 85.3% of the value of work allocation in that period.</p> <p><i>(See recommendation #1)</i></p>
2	Meet with Administration to understand the process and discuss trends identified and considerations.	<p>Met with Administration and noted that:</p> <ul style="list-style-type: none"> Administration was empowered to direct work allocation. Administration was aware of the complainant's concerns. Service provider performance issues had been noted and communicated to the complainant. No vendor performance issues were noted with the other service providers. Established an understanding of the process for allocating work, overseeing work, reviewing and approving invoices and providing service provider feedback.
3	Review the Pre-Qualification document and responses by selected bidders, the RFT, and related responses to understand the	<p>Reviewed the Pre-Qualification materials, the responses of the three final bidders, and the RFT and related bidder responses to understand the agreements in the context of the cleanup of dirty yards.</p>

	governing agreements.																
4	Develop specific procedures to consider each of the detailed allegations provided by the complainant.	Specific procedures were developed based on the allegations and the context established through steps 1, 2 and 3 above. These are specified in steps 5 through # below.															
5	<p>Select a random sample for each vendor in the scope period. For each sample selected, acquire a copy of the invoice and capture the date the invoice was received, the related bylaw officer, the work type and rate billed, the effort hours billed, and evidence of the AP approval stamp and non-labour costs. Compare labour type and rate to approved bid document rates by type.</p> <p>When testing, make note of the assigned bylaw officer.</p>	<p>Selected a random sample for each vendor in the scope period from the 561 (count) available:</p> <table border="1"> <thead> <tr> <th></th><th>Count</th><th>Sample Size</th></tr> </thead> <tbody> <tr> <td>Vendor A</td><td>402</td><td>25</td></tr> <tr> <td>Vendor B</td><td>154</td><td>15</td></tr> <tr> <td>Vendor C</td><td>5</td><td>1</td></tr> <tr> <td>Total</td><td>561</td><td>41</td></tr> </tbody> </table> <p>For each sample, we acquired a copy of the invoice and captured key data from the invoice:</p> <ul style="list-style-type: none"> • invoice receipt date • Bylaw officer associated with the work • work type and rate billed • the hours billed • the non-labour fees and • the presence of an approved AP stamp. <p>Compared labour type and rate to approved bid document rates by type.</p> <p>No exceptions were noted in the testing - all rates tied to bid effort, extended hours times bid rate for work type equalled invoice totals, and approvals (bylaw and AP stamp) were noted as present.</p> <p>Further, we noted that, in the samples selected, Vendor A had work from 11 different bylaw officers, Vendor B had work from 7 different bylaw officers and Vendor C had work from 1 bylaw officer.</p>		Count	Sample Size	Vendor A	402	25	Vendor B	154	15	Vendor C	5	1	Total	561	41
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6	For the allegations related to the dispersion of work:																
6.a.	Using the report provided by City AP, indicating the total number of invoices in the reporting period and the total	See step 1 above, where these totals are noted and where it was determined that one vendor accounted for 89.12% of all invoiced broader dirty yard cleanup services. The same vendor accounted for 71.66% of all invoices.															

	value of invoices in the period, review the total and determine if one contractor received substantially more payments and allocation of invoices than the others.	
6.b.	Leveraging the information from 6.a. and data collected in sample testing, estimate a pro-rated payout per annum to assess the allegation.	<p>The mathematical calculation to arrive at an annualization of the values in the sample period resulted in \$271,651.22 for Vendor A, \$30,745.05 for Vendor B and \$2,430.81 for Vendor C.</p> <p>Per the 5-year disbursement summary to each vendor, in 2023, Vendor A received 90.3%, Vendor B 8.3% and Vendor C 1.4%.</p> <p>One vendor accounts for most of the invoiced services in the period.</p>
6.c.	Review RFT and Pre-Qualification to determine if the City is required to disclose work or payment allocation to contractors.	Neither the Pre-Qualification nor the RFT requires the City to disclose the allocation/dispersion of work.
6.d.	Review Pre-Qualification and RFT to determine if there was any commitment by the City as to how work would be allocated. Inquire of Administration about the approach to work allocation.	<p>A reading of the Pre-Qualification and the RFT indicates that the allocation of work is at the Administration's sole discretion.</p> <p>When a municipality has a tender that results in multiple awarded vendors (e.g., three or more) for a service like dirty yard cleanup, the unexpressed or implied intent regarding work distribution is typically centred on fairness, efficiency, and value for taxpayers, even if not contractually required.</p> <p>While the distribution of work under the dirty yard clean-up contract is at the discretion of Administration, it is noted that the City entered into a Request for Tender (RFT) that engaged three specific service providers to perform this work. In practice, one vendor received over 89% of the assignments, with the remaining work divided among the other two providers. Early in the scope period, one of the service providers chose not to renew their participation in the contract, citing concerns over inequitable work allocation. Additionally, other vendors expressed dissatisfaction to the Auditor General about the distribution approach. Despite a multi-vendor contract, this</p>

		concentration of work with a single provider introduces a risk that future vendor engagement may decline. Such an outcome could reduce competitiveness, limit contingency options, and affect service quality or pricing over time.																
7	For allegations of misrepresentation (falsehood) by management. <i>Given that the allegation is associated with a conversation between two parties that cannot be verified, we cannot ascertain whether the statement was made.</i>																	
7.a.	Consider the notes and evidence noted in testing to see if there is evidence that Administration communicated such a statement. Review work billed in this allegation period to determine who received the bulk of the work.	<p>Using the report provided by City AP (step 1), indicating the total number of invoices in the reporting period, a pivot table was generated to count the invoices entered. Invoice entry dates and submission dates are in the system. The entry date is earlier than or equal to the submission date. The entry date is often several to many days after the invoice date and after the work date.</p> <p>The RFP requires that invoices be issued within 7 days of completing the work.</p> <p>Conducted three analyses of data:</p> <ol style="list-style-type: none">1. Invoices entered from Dec. 4 to Dec. 312. Invoices entered from Dec. 11 to Jan. 123. Invoices entered from Dec. 11 to Feb. 7 (based on the fact that from Jan. 12 to Feb. 7, only two invoices were entered) <table><thead><tr><th></th><th>Vendor B</th><th>Vendor A</th><th>Difference</th></tr></thead><tbody><tr><td>Invoices entered into the system Dec. 4-Jan.8</td><td>5</td><td>60</td><td>55</td></tr><tr><td>Invoices entered into the system Dec. 11-Jan.12</td><td>9</td><td>58</td><td>49</td></tr><tr><td>Invoices entered into the system Dec. 11-Feb. 7</td><td>9</td><td>60</td><td>51</td></tr></tbody></table> <p>Assessment: We did not detect evidence of Administration communicating the alleged statement in writing and cannot independently determine if the statement was verbally communicated. However, an analysis of the invoices issued around the period of the allegation supports the latter part as it was highly unlikely that the complainant received the majority of the work.</p>		Vendor B	Vendor A	Difference	Invoices entered into the system Dec. 4-Jan.8	5	60	55	Invoices entered into the system Dec. 11-Jan.12	9	58	49	Invoices entered into the system Dec. 11-Feb. 7	9	60	51
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8.	For the allegations related to several specific statements:	
8.a.	<p><i>Statement: City staff indicated that the complainant would not be offered a place in the new tender because they did not want the complainant to do the work.</i></p> <p>Discuss with management whether the contractor is listed in the next RFT and/or observe the bid request issuance. If the contractor was not invited to the latest tender review, consider vendor performance process evidence to determine whether the decision is based on evidence.</p>	<p>Discussions with management indicated that, based on a review of the contractor's performance and service delivery, the contractor would not be included in the subsequent bid request.</p> <p>A review of the contractor receiving the most significant funding showed that the vendor's performance rating was satisfactory, favourable, or exceptional, with several exceptional rankings. Further, the 2024 rotational commencement tracking tool noted no performance issues or declined work regarding this service provider.</p> <p>A review of the complainant's performance as a service provider indicates performance ratings of poor, unfavourable, or satisfactory. Further, the 2024 rotational commencement tracking tool review noted a few performance issues and declined work associated with this service provider.</p> <p>In a discussion with management, it was noted that Bylaw Management and Purchasing had to get involved in assessing and managing vendor performance for vendors with performance concerns. In contrast, no such efforts have been associated with the other vendor. A review of emails and observation of calendar invites corroborated this.</p> <p>Assessment: The complainant's statement/position is valid, but additional information should be considered</p> <p>After discussing the matter with management and reviewing the most recent Pre-Qualification and Tenders, it was noted that the complainant was not invited to bid on the tenders. Management indicated that they knew this and that the decision was based on vendor performance.</p> <p>Reviewing the vendor performance scorecards, commencement rotation logs, and internal and external email communications indicated performance concerns with the complainant's services. However, the vendor performance scorecards for other associated service providers stated no performance concerns and often indicated exceptional ratings.</p>
8.b.	<p><i>Statement: The current contract indicates a 1:1 work ratio and that the City will change it to 2:1.</i></p> <p>Review the Tender to consider what it</p>	<p>The RFT specified that:</p> <ul style="list-style-type: none"> Contractors would be engaged "to perform work on an as-and-when-required basis, as directed by the By-Law Enforcement Unit". "Work orders will be placed on an as-and-when-required basis as directed by the City's Bylaw Enforcement Manager."

	says about the work assignment/distribution.	<p>The work is not outlined in terms of distribution beyond the wording extracted above.</p> <p>Given the wording of the RFP, a reader might imply that the following are some of the intents of Administration in awarding the contract and related work:</p> <ul style="list-style-type: none"> outsourcing Dirty Yard work to meet timeframes for completion reducing costs, given that the three lowest bidders were to be selected <p>Assessment: The complainant's statement is not supported by evidence.</p> <p>The agreements do not outline a specific work allocation; instead, they indicate that work will be allocated as determined by the City. There is a possible implied intent to achieve timeframes and reduce total cost.</p>
8.c.	<p><i>Statement: The complainant is the lowest contractor.</i></p> <p>Review RFT submissions and invoices to determine if the complainant is the lowest bidder.</p>	<p>Reviewed the vendor submissions and subsequent invoices, which indicated that the complainant was the bidder with the lowest hourly price.</p> <p>As noted in the Context section of this report, Administration used other factors to aid in determining job allocation, such as past performance of the vendors, job size/nature, ability to complete the job within the timeline, equipment needs, efficiency and value/cost.</p> <p>Assessment: The complainant's statement/position is true for the final year of the contract.</p>
8.d.	<p><i>Statement: The complainant does very good work.</i></p> <p>Review formal internal vendor performance assessments on overall vendor performance.</p>	<p>Reviewed the complainant service provider records, which indicated that the City's assessment of the vendor's performance rating was poor, unfavourable, or satisfactory. Further, the 2024 rotational commencement tracking tool review noted a few performance issues and declined work associated with this service provider.</p> <p>In a discussion with management, it was noted that Bylaw Management and Purchasing have had to get involved in assessing and managing this specific vendor's performance. In contrast, no such efforts have been associated with the other vendor.</p> <p>In discussion with Administration and in reviewing emails, it was noted that there are times when a bylaw officer wants to be present at the beginning and completion of work and requires that the contractor doing the work contact them to be present at</p>

		<p>both points in time (business hours). The service provider did not agree with this or could not comply. While this criterion may be a helpful business activity, it is not outlined as a requirement or possible key criterion in either the Pre-Qualification or RFT. As such, evaluating a service provider on such a criterion is unexpected and can be seen as unfair. (See <i>recommendation #2</i>)</p> <p>While the complainant indicates that they receive strong positive feedback from residents. While this is a good metric, the key component for this tender is that of work completed as part of the overall Dirty Yard Clean Up timeframe and compliance. As such, timeline commencement and compilation of work based on a commencement order and by the quality determined by the by-law officer are essential.</p> <p>Assessment: The complainant's statement/position is not supported by evidence. City vendor performance scorecards and tracking tools indicated performance concerns regarding the complainant's work.</p>
8.d.	<p><i>Statement: One Bylaw officer had problems with Contractors doing the cleanups because of their attitude and lack of information on orders. This officer blames everyone else for their mistakes. They tried very hard to make us look bad, but they had several issues. Other By-Law officers have had no issues with us or our work.</i></p> <p>Review formal internal vendor performance assessments on overall vendor performance to identify if one Bylaw officer is the source of concerns and consider the</p>	<p>Reviewed the vendor performance scorecards, emails and commencement order tracking, which indicated more than one bylaw officer had noted vendor performance concerns. Further, management indicated (verbally) that other bylaw officers also expressed concerns regarding this specific vendor's performance.</p> <p>Further, sampling noted that seven different bylaw officers had dealt with this vendor across 15 specific sample invoices.</p> <p>Assessment: The complainant's statement/position is not supported by evidence.</p>

	dispersion of vendors.	
8.e.	<p>Consider reaching out to prior vendors. Consider if new parties are bidding on the updated RFT. Consider participants in the latest/most recent RFP.</p>	<p>The Auditor General reached out to prior service providers to understand why they no longer participated and if there was feedback on the process for regular engagement/work assignments. The conversations indicated:</p> <ul style="list-style-type: none"> • a concern regarding “vastly unequal” allocation of work efforts • significant reductions in assigned work volumes from the past, with no explanation, while knowing others were getting the work • being informed by City personnel “that work was going to other businesses where there were close relationships - i.e. friends, wedding party participants, prior business relationships <p>Further, one former service provider shared its communication with the City, wherein after years of providing service they were electing not to renew their contract due to receiving such low volumes of work given the total dirty yard clean up efforts and given industry safety concerns with some of the other providers the City had engaged.</p> <p>The most recent RFP selected three vendors for contract awarding, one returning after a period of absence and one new.</p> <p>Assessment: The complainant’s statement/position is supported through these discussions; however, the contract explicitly states work will be allocated as per management discretion.</p>
9	For the allegations related to another specific contractor:	
9.a.	<p><i>Statement: The highest billing contract bills for time not worked - inflates the effort.</i></p> <p>Review city controls to validate the effort level reported by the contractor.</p> <p>Consider the FTEs deployed on average per business day in</p>	<p>Discussions with Administration indicated that the following controls were in place to enable the City to consider if the billings/efforts per project were appropriate:</p> <ol style="list-style-type: none"> 1. Bylaw officer site inspection and random, periodic oversight of the project. It often includes a kick-off on commencement and a review on completion. 2. Bylaw officer review and approval of invoice details. 3. AP approver review and approval of the invoice for payment. 4. Vendor performance reviews. 5. Budget to actual monitoring for the department. <p>Noted the occurrence of “1” in various emails and discussions</p>

	the period.	<p>with management.</p> <p>Noted the occurrence of “2” and “3” on each invoice sample tested as part of the fieldwork.</p> <p>Noted “4” in testing various vendor performance elements for 2 of 3 vendors - the 3rd one opted out of the contract early on, so there was limited evidence.</p> <p>For control 5, we reviewed the annual budget variance analysis presented to City Council; no significant variances related to bylaws and dirty yards were noted. This implies that the completed work and cost recovered were within the expected parameters.</p> <p>Inflated invoices have two potential sources: (1) rate and (2) effort.</p> <p>Rates are set under the legal agreement. In sample testing, it was determined that the rates billed aligned with the agreement in dollar value and nature and that the bylaw officer approved the work (including the rate/type of work).</p> <p>For inflated hours, testing indicated that bylaw officers approved the invoice, implying acceptance of the effort as valid. Analytical procedures were used to corroborate this control and consider the whole population..</p> <p>Using the information in step 1, the FTEs were calculated for those active vendors throughout the period. Two scenarios were considered:</p> <ul style="list-style-type: none"> - Scenario A - Every Calendar Day: calculates the fees billed to the City, hours worked, and FTE equivalent, assuming the vendors/service providers provided staff every calendar day of the year for 7 hours per day. (460 days) - Scenario B - Every Working Day: calculates the fees billed to the City, hours worked, and FTE equivalent, assuming the vendors/service providers provided staff every available working day of the year for 7 hours per day. (removes weekends and statutory holidays. (316 days). <p><u>Formula:</u></p> $\frac{\text{Total Vendor Fees before HST} - 15\% \text{ of Total Vendor Fees before HST}}{\text{Days in Period Considered}}$
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Scenario A - Every Calendar Day	Average Daily Effort (Hrs)	Average Daily Effort (FTE @ 7hr/day)	Average Daily Invoice
Vendor A	18.6	2.7	\$745.67
Vendor B	2.2	0.3	\$88.84
Vendor C	0.2	0.0	\$8.34

Scenario B - Every Business Day	Average Daily Effort (Hrs)	Average Daily Effort (FTE @ 7hr/day)	Average Daily Invoice
Vendor A	27.1	3.9	\$1,083.51
Vendor B	3.2	0.5	\$129.08
Vendor C	0.3	0.0	\$12.12

Scenario B more closely aligns with the actual average invoice totals from the vendors than Scenario A.

Given the above analysis, the City engaged external providers for approximately \$1,225 or 30 hours daily, Monday through Friday, excluding statutory holidays of services, where these costs are passed along to each specific ratepayer with the bylaw violation. Based on the service provider invoice count, there are 1.2 Dirty Yards being cleaned up every business day.

The city issued 636 orders for dirty yard and refuse removal during the scope period, an average of 1.38 every calendar day or 2 every available working day. The overall average job was, therefore, \$712 and approximately 15.5 hours of effort.

Assessment: Administration has controls in place to manage and identify the appropriateness of service provider billings, and no issues were noted in the operational execution of those controls during the testing conducted for this allegation.

While the above analysis indicates that the allegation is not supported, there is room for error in an independent external party assessment. This is because an independent third party cannot accurately assess the reasonability of the costs incurred without understanding the site-by-site initial condition, effort billed, and final price. Items required to conduct such an analysis, which were not detailed on the invoices for the period under assessment, include:

- initial condition/state to clean up required (expected size/magnitude/complexity)
- estimate of required effort by the initial bylaw officer (or scale of work)
- waiting time incurred on the job (police support, driving time, waste yard queue, etc.)
- finished state of space

		<ul style="list-style-type: none"> of the inbound dirty yard complaints in a period, how many went through violation and remediation under City direction <p>(see Recommendation #3)</p>
9.b.	<p><i>Statement: The December invoice from the other contractor had very high amounts and way more work received than any other contractor.</i></p> <p>A pivot table was generated to count the invoices entered using the report provided by City AP, indicating the total number of invoices in the reporting period. Invoice entry dates and submission dates are in the system. The entry date is earlier than or equal to the submission date. The entry date is often several to many days after the invoice date and after the work date.</p>	<p>See work noted in step 7.a.</p> <p>Assessment: An analysis of the invoices issued around the period of the allegation supports the latter part as it was highly unlikely that the complainant received the majority of the work.</p>
10.	For the allegations related to City personnel behaviour:	
10.a.	<p><i>Statement: City staff behaved angrily, defensively and in a bullying manner while refusing to answer questions.</i></p> <p>See Scope Exclusions & Approach Adaptation</p>	<p><i>As the complainant had not escalated this allegation to the Commissioner responsible for the area nor to Human Resources, as required per the Concerned Citizen and Employee Protocol, the investigation was limited to observing if such treatment was noted in the communications (emails) provided by the complainant.</i></p> <p>No evidence of such treatment was noted in the emails provided by the complainant, nor in those from Administration.</p>

10.b.	<p><i>Statement: One officer shares the same nationality as the contractor, getting all the work.</i></p> <p>See Scope Exclusions & Approach Adaptation</p>	<p><i>As the complainant had not escalated this allegation to the Commissioner responsible for the area nor to Human Resources, as required per the Concerned Citizen and Employee Protocol, the investigation was limited to observing if such treatment was noted in the communications (emails) provided by the complainant.</i></p> <p>No evidence of this allegation was noted in testing.</p>
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Conclusion:

While the allegation may be perceived as warranted upon an initial reading, **the investigation did not find evidence to support the allegations.** However, findings were noted for Administration's consideration.

Allegation #1: The complainant alleges that the City is not allocating dirty yard clean-up work equitably or fairly among contracted vendors.

Conclusion: The allegation is **not supported** by the evidence. The allegation assumes that work distribution is to be more equitable or fair; however, the work allocation is based on Administration's discretion as per the agreed-upon contract. A future-oriented finding for Administration was noted.

While the RFT granted Administration discretion in allocating work among vendors, the resulting concentration of over 89% in 15 months of assignments to a single provider may raise concerns about fairness and transparency. It does, however, align with the terms of the contract.

When a municipality has a tender that results in multiple awarded vendors (e.g., three or more) for a service like dirty yard cleanup, the unexpressed or implied intent regarding work distribution is typically centered on (1) good faith, (2) adherence to the contract's fundamental objectives, (3) documented (or basis) for decision making (allocation approach) and (4) value for taxpayers, even if not contractually stated.

Two of the three vendors participating in this RFT expressed concerns regarding the fairness of work distribution. One of the three vendors opted not to renew their contract due to this circumstance (*this impacts overall work distribution in the period, effectively removing one vendor*). In the investigation, no issues were noted regarding (1) good faith, (2) adherence to the contract's fundamental objectives, and (4) value for taxpayers. With regards to (3) documented (or basis) for decision making (allocation approach), discussions with management identified the general approach and were supported by performance records, bid documents and timeline considerations; however, Administration should consider improvements to this process to enable increased transparency and support regarding this decision process.

Allegation #2: Specifically, the complainant asserts that one vendor is consistently favoured—despite not offering the lowest cost, receiving most work assignments and billing at inflated prices.

Conclusion: The allegation is **not supported** by the evidence. The allegation assumes that work distribution is to be more equitable or fair; however, the work allocation is based on Administration's discretion as per the agreed to contract - at the agreed to rates. A future-oriented finding for Administration was noted. Regarding inflated costs, the specified vendor testing did not detect such concerns.

One vendor, who had the highest rate for the tested samples (5.3-11.1% higher than the other vendors) received most of the work. No evidence of inflated invoices was noted in testing; however, Administrative controls could be enhanced.

The service provider who conducted the vast majority of the work in the period was the highest rate per hour provider in the RFT by 5.3-11.1% for the average type of work tested. Control testing over Administration's controls for the variable component of service provider costs (hours effort) indicated no exceptions; however, controls could be enhanced. Sample testing also considered rate billing alignment with the RFT agreements, with no exceptions noted.

Similar to allegation #1, Administration should consider improvements to the approach to allocating work, thereby enhancing transparency and documentary support regarding the decision process, as well as to the intent/objectives of the contract.

Allegation #3: The complainant also claims that their work is of high quality and low cost, yet they are being excluded based on complaints from a single bylaw officer.

Conclusion: The allegation is **not supported** by the evidence. The allegation assumes that the feedback from residents supersedes Administration's performance rating and contract compliance assessment. While residents may be pleased with the service provider's performance, the key metric of contract compliance, job completion within 1-3 days of notice and completion to by-law officer specifications are critical components given the nature of this work and its place in the Dirty Yard Clean Up cycle and performance timeline.

City records indicate performance concerns from multiple bylaw enforcement personnel with the service provider. While the provider offers a lower cost than the top billing provider, they were not the lowest cost in all areas.

The complainant referenced positive feedback from the property representatives they engaged with. However, these would generally be individuals who have received the bylaw notice. Such feedback may be helpful in the City, but it is not the most essential consideration. Administration records identified vendor performance concerns and communicated to the service provider by Bylaw Enforcement and Purchasing. Administrative records indicate that such performance concerns came from several personnel within Bylaw Enforcement who engaged with the service provider.

Allegation #4: Additionally, they allege that a City employee made a false statement regarding which they, as the contractor, received the most work in a given period.

Conclusion: The portion of the allegation which could be considered is **not supported** by the evidence.

No evidence of falsehood was detected in the evidence reviewed; however, a review of the invoice data indicates that the complainant is unlikely to have received most of the work in the given period. Individual conversations were not able to be assessed as part of the investigation.

Recommendations:

Important Note: The investigation focused on the late 2023 and early 2024 periods. After that time, a new RFT had been issued, and high-level discussions with Administration indicate that internal controls have also been enhanced. The following recommendations are made with the evidence from the investigation in mind; however, Administration indicated that much, if not all, of the following considerations were incorporated into the current process before the investigation recommendations were made. Administration should ensure the recommendations below are sufficiently considered within the current processes.

1. Fairness in work distribution

When a municipality has a tender that results in multiple awarded vendors (e.g., three or more) for a service like dirty yard cleanup, the unexpressed or implied intent regarding work distribution is typically centered on (1) good faith, (2) adherence to the contract's fundamental objectives, (3) documented (or basis) for decision making (allocation approach) and (4) value for taxpayers, even if not contractually required.

The investigation noted that one service provider received over 80% of the work allocation in 1 year and 3 months. Further, the main impetus for the allegations appears to have been an inequitable distribution of work, which was then validated as a concern of prior service providers. While no issues in contract compliance were noted, there is a business risk that current and future bid participants become disillusioned with the process and their perceived expectations.

Administration should consider the desired intent of the Dirty Yard tender:

- a. Were the goal to be defined as having multiple bidders/parties available for tender. In that case, a more balanced distribution of work efforts will be required or a clearer outline of the intent/objectives of the contract and guiding work allocation factors. Administration should develop and communicate clear criteria or guiding principles for distributing work under multi-vendor contracts. This may include considerations such as rotation, performance, timely completion, quality of work, job size vs. bid resources, job requirements/equipment vs. contractor equipment as per bid, responsiveness, or geography, etc. The key criteria should be consistently applied and documented. Additionally, the Administration should monitor and periodically review the actual distribution of work to ensure alignment with the intent of the RFT and to support vendor confidence and long-term participation in municipal tenders (this requires pre-definition of the intent).
- b. If the goal is to allocate the work to one bidder, then multiple tenders should not be sought.

Administration Response
The Department already has this initiative in place. Effective Monday, January 29, 2024, a new process was implemented by the new Management Team to ensure a more balanced distribution of work and to track vendor performance. The improved process is highlighted below.

Work is no longer assigned by the investigating officer to a particular vendor of choice. Work is now distributed by the By-law Enforcement Clerk who reports directly to the Supervisor of By-law Enforcement. The Clerk does this on behalf of each officer on a rotational basis, being tracked on an Excel spreadsheet. Should work of any kind need to be assigned outside of the rotation, Supervisory approval is required and noted why. Vendor behaviour, performance and refusal of work is also tracked and noted to the assigned job. The Supervisor and/or Manager review the distribution list on a regular basis to ensure compliance with the procedure.

The Department also commenced utilizing the Vendor Performance Evaluation process through the Purchasing Department. Vendor behavior and performance is tracked in a secure location to assess and monitor performance indicators such as quality, timeliness, cost and responsiveness.

Responsible Party:	Manager of Licensing and Enforcement & Deputy Licence Commissioner	Due Date:	Completed
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2. Clarity of service provider requirements

In discussion with Administration and in reviewing emails, it was noted that there are times when a bylaw officer wants to be present at the beginning and completion of work and requires that the contractor doing the work contact them to be present at both points in time (business hours). The service provider was not in agreement with this or was not able to comply.

This criterion was not noted as a requirement in the Pre-Qualification or RFT.

Where there are criteria that a service provider is required or may be required to comply with, Administration should ensure these are included in the RFT. The absence of such ongoing or reasonably anticipated requests makes it challenging to use the lack of adherence to such criteria in the negative evaluation of a service provider.

When criteria are added during a tender period, the rationale and advance notification should be provided.

Administration Response

The Department has already begun the process towards implementing the criteria as recommended. The current RFT (68-24) requires vendors to take time and date stamped photos upon arrival and departure of the property, these are in addition to the property condition and work completed photos that were previously required. The current RFT also stipulates a deadline as to when work must be completed, and that work shall only be conducted between specific hours unless otherwise directed by Administration.

Administration will continue to provide clarity as to the requirements of the service provider and will consider adding additional wording and the rationale to future RFTs so that the service provider is able to agree to all service advanced notice requirements (arrangements when an

officer is required to be onsite from start to finish, or work requires Police attendance due to being identified as a property at risk).			
Responsible Party:	Manager of Licensing and Enforcement & Deputy Licence Commissioner	Due Date:	Completed

3. Future Site Cleanup Efforts

While the costs of individual dirty yard cleanup services are passed along to specific ratepayers, ensuring the fees are accurate and fair for the work performed is a key Administrative oversight task on behalf of ratepayers.

Administration should consider implementing specific control over work efforts, such as (or similar):

1. Having the bylaw officer assign a rough work level or FTE assignment (or category).
2. Having the service provider execute according to this and explain significant variances or other more cost-effective oversight analytics.
3. Having bylaw officers explicitly approve the overall effort for each job as reasonable based on their judgment.
4. Acquiring time-stamped images of the before and after work, which the bylaw officer could use to support #3 above.
5. Service provider identification of # of dump runs and break-out of labour time versus waiting time.

Administration Response			
<p>The Department already requires Officers to sign off on the contractor's invoice by logging specific information such as property information, contractor name, the contractor's invoice amounts and apply administrative penalties for officer time. Officers are required to verify all information is correct and then sign the control sheet. This has been in place since 2004.</p> <p>Effective May 2025, the Department has added wording on the control sheet that will show that the investigating officer verified that the contractor's invoice amount and time spent is reflective of the work that was completed.</p>			
Responsible Party:	Manager of Licensing and Enforcement & Deputy Licence Commissioner	Due Date:	Completed