

<b>Title:</b> <b>Fee for Service Agreements</b>	<b>Policy No.:</b> 5.60  <b>Supersedes:</b> New
<b>Authority:</b> Legislative <input checked="" type="checkbox"/> Operational <input type="checkbox"/>	<b>Effective Date:</b> June 29, 2022
<b>Approval:</b> Council <input checked="" type="checkbox"/> CMT <input type="checkbox"/> General Manager <input type="checkbox"/>	<b>Review Date:</b> June 29, 2023
<b>Policy Statement:</b> The City will consider entering into Fee for Service Agreements with Local Not-for-Profit Organizations for the provision of services that are the responsibility of local government, are aligned with Strategic Priorities and are not duplicated in the private sector. Any funding provided under a Fee for Service Agreement may only be used as outlined in the Fee for Service Agreement unless expressly approved by the City.	
<b>Purpose:</b> The purpose of this policy is to establish the criteria that will be used to evaluate the feasibility of entering into Fee for Service Agreements with local Not-for-Profit organizations for the provision of services aligned with Strategic Priorities.	
<b>Definitions:</b>  <b>Approval by Council:</b> Council must approve entering into a Fee for Service agreement, and must approve any subsequent renewals of the agreement.  <b>Fee for Service/Operating Agreement:</b> A multi-year agreement between the City and a Local Not-for-Profit organization for the provision of services that specifies what the organization will accomplish in return for the financial support it receives, and outlines annual reporting requirements.  <b>Local Not-for-Profit Organization:</b> A society incorporated under the BC Society Act or a Registered Charity with the Canada Revenue Agency.  <b>Strategic Priorities:</b> The key priorities of the City as outlined in the current Strategic Plan.  <b>Term:</b> A Fee for Service Agreement will have a term of more than one year and not exceeding five years.  <b>Renewal Term:</b> A Fee for Service Agreement may include options to renew the agreement, with each renewal option not to exceed the length of the original term. After two renewal terms, the City will consider conducting a procurement process to seek alternate service providers.  <b>Termination Clause:</b> Fee for Service Agreements will include a provision that offers either party an option to end the agreement early (and without incurring liquidated damages) in the event of any of the following: <ul style="list-style-type: none"> <li>• a fundamental breach of an obligation by one party to the other under the terms of the Fee for Service Agreement;</li> </ul>	

- upon the commencement of any claim, demand, action, causes of action, including, but not limited to, seeking a remedy of specific performances, or injunction by a part to a Fee for Service Agreement made or brought against the City;
- when a party becomes bankrupt, is no longer a going concern, is dissolved, or is no longer in good standing;
- the party assigns the Fee for Service Agreement to another party without the consent of the City, which may be arbitrarily denied at the City's sole discretion;
- if a party issues notice of early termination in accordance with a predetermined notice period;
- a party is grossly negligent, engages in willful misconduct or illegal act in contravention of federal or provincial laws, or conduct contrary to City bylaw or policy.

**Eligibility Criteria:** A qualifying local not-for-profit organization seeking to enter into a fee-for-service agreement with the City will be considered eligible if the service(s) they are seeking funding for supports the advancement of one or more Strategic Priorities, are the responsibility of local government and the proposed services are not in direct competition with those offered in the private sector. Additionally, requests that facilitate innovation will be considered.

**Evaluation Criteria:** requests to enter into Fee for Service Agreements will be evaluated using the following criteria:

- Is the organization a local not-for-profit organization as defined in this policy?
- Does the proposed service advance one or more Strategic Priority?
- Does the proposed service facilitate innovation?
- Is the proposed service the responsibility of local government?
- Are the proposed services in direct competition with those offered in the private sector?
- Are municipal resources required to deliver the service(s)?
- Is the proposed service a higher priority than other unfunded services?
- Does the organization have the required knowledge, skills and abilities and resources to deliver the proposed services?
- Are there efficiencies to be gained by partnering with the organization?
- Does the organization have a proven track record of cooperation with other community partners?

Key Areas of Responsibility	
Action to Take	Responsibility
Review and evaluate request for multi-year funding for service provision.	Most appropriate operating department
If there is a business case to support the request for funding identify an available funding source or prepare an incremental request for consideration during business planning.	Operating department & Finance
Prepare a report to council outlining recommendation(s)	Operating department
Subsequent to Council approval, establish agreement, including reporting requirements and termination clause.	Operating department
Monitor agreement	Operating department