

AGENDA
MIDDLESEX-LONDON BOARD OF HEALTH
Finance and Facilities Committee

50 King Street, London
Middlesex-London Health Unit – Room 3A
Thursday, September 7, 2017 9:00 a.m.

1. DISCLOSURE OF CONFLICTS OF INTEREST

2. APPROVAL OF AGENDA

3. APPROVAL OF MINUTES – June 8, 2017

4. NEW BUSINESS

- 4.1 Proposed 2018 PBMA Process, Criteria & Weighting (Report No. 029-17FFC)
- 4.2 Middlesex-London Health Unit - March 31 Draft Financial Statements (Report No. 030-17FFC)
- 4.3 Canada Health Infoway Inc. Agreement (Report No. 031-17FFC)
- 4.4 Health Unit Contribution to London's Healthy Kids Community Challenge (HKCC) Sugary Drink Campaign (Report No. 032-17 FFC)

5. OTHER BUSINESS

- Next meeting: Thursday, October 5, 2017 at 9:00 a.m., Room 3A, 50 King Street, London

6. CONFIDENTIAL

The Finance and Facilities Committee will move in-camera to discuss matters regarding identifiable individuals and a proposed or pending acquisition of land by the Middlesex-London Board of Health.

7. ADJOURNMENT



PUBLIC MINUTES
FINANCE & FACILITIES COMMITTEE
MIDDLESEX-LONDON BOARD OF HEALTH
50 King Street, London
Middlesex-London Health Unit – Room 3A
2017 June 8, 10:00 a.m.

COMMITTEE

MEMBERS PRESENT: Mr. Jesse Helmer
Mr. Marcel Meyer
Mr. Ian Peer
Ms. Joanne Vanderheyden
Ms. Trish Fulton

Regrets:

OTHERS PRESENT: Mr. Michael Clarke, Board member
Ms. Elizabeth Milne, Executive Assistant to the Board of Health and Communications (Recorder)
Ms. Laura Di Cesare, Secretary-Treasurer
Dr. Christopher Mackie, Medical Officer of Health
Mr. Jordan Banninga, Manager, Strategic Projects
Dr. Gayane Hovhannisyanyan, Acting Medical Officer of Health
Mr. John Millson, Associate Director, Finance

At 10:00 a.m., Chair Helmer called the meeting to order and made note of the Committee's sympathies to Ms. Fulton regarding her regrets for the meeting.

DISCLOSURES OF CONFLICTS OF INTEREST

Chair Helmer inquired if there were any conflicts of interest. None were declared.

APPROVAL OF AGENDA

It was moved by Mr. Peer, seconded by Ms. Vanderheyden *that the [AGENDA](#) for the June 8, 2017 Finance & Facilities Committee meeting be approved.*

Carried

APPROVAL OF MINUTES

It was moved by Ms. Vanderheyden, seconded by Mr. Peer, *that the [MINUTES](#) of the May 4, 2017 Finance & Facilities Committee meeting be approved.*

Carried

It was moved by Ms. Vanderheyden, seconded by Mr. Peer, *that the [MINUTES](#) of the May 18, 2017 Finance & Facilities Committee meeting be approved.*

Carried

It was moved by Ms. Vanderheyden, seconded by Mr. Peer, *that the [MINUTES](#) of the May 19, 2017 Finance & Facilities Committee meeting be approved.*

Carried

NEW BUSINESS

4.1 2016 Reserve / Reserve Fund Balances ([Report No. 024-17FFC](#))

Mr. Millson introduced the report and summarized Appendix A, appended to this report.

Discussion ensued about the balance for accumulated sick leave.

It was moved by Mr. Peer, seconded by Joanne, *that the Finance & Facilities Committee recommend that the Board of Health:*

- 1) *Approve a \$55,914 drawdown from the Sick Leave Reserve Fund to fund the 2016 sick leave payments to eligible staff;*
- 2) *Receive the 2016–17 Reserve / Reserve Fund Overview ([Appendix A](#)) for information; and*
- 3) *Forward Report No. 024–17FFC re: 2016 Reserve / Reserve Fund Balances to the City of London and the County of Middlesex for information.*

Carried

4.2 Funding Apportionment ([Report No. 025-17FFC](#))

Mr. Millson provided context to how the adjustments were made in funding apportionment.

The consideration of applying the funding apportionment to the nearest 1/4 percent was discussed. For future budgeting, incorporating census data into the budget could lead to making smaller adjustments to the funding by each partner rather than one large adjustment if the data requires it. It was noted that funding from municipalities has not increased since 2004 and any changes would need to be carefully considered and communicated through the budgeting process.

Ms. Di Cesare arrived at 10:09 a.m.

It was moved by Mr. Peer, seconded by Ms. Vanderheyden, *that the Finance & Facilities Committee recommend that the Board of Health:*

- 1) *Maintain the current funding apportionment for municipally funded programs at 84% for the City of London and 16% for the County of Middlesex; and*
- 2) *Forward Report No. 025-17FFC re: Funding Apportionment to the Councils of the City of London and County of Middlesex for information.*

Carried

4.3 Pending Funding Contracts ([Report No. 026-17FFC](#))

Mr. Millson drew the Committee's attention to the addition of Appendix D, regarding the receipt of funding for the London Community Consultation for Supervised Injection Services (SIS)

It was moved by Ms. Vanderheyden, seconded by Mr. Peer, *that the Finance & Facilities Committee recommend to the Board of Health:*

- 1) *To authorize the Board Chair to sign the amended three year FoodNet agreement when it has been received from the Public Health Agency of Canada; and*
- 2) *That Report No. 026-17FFC, "Pending funding Contracts" be received for information.*

Carried

4.4 Governance Policies – Part II (Governance Policy Review Continued)

Mr. Banninga reviewed the policies brought forward for the Committee's consideration and review; some of which were those that staff made amendments to as per the direction of the Committee at the May 4th FFC meeting.

Policies G-180 (Financial Planning and Performance), G-210 (Investing), G-310 (Corporate Sponsorship), G-330 (Gifts and Honorariums), G-410 (Board Member Remuneration) and G-420 (Travel Reimbursement) were reviewed and discussed. Mr. Banninga walked the Committee through the changes made to each of these policies.

Mr. Meyer arrived at 10:25 a.m.

G-410 was sent to staff back for review around the conflict of interest piece.

It was moved by Ms. Vanderheyden, seconded by Mr. Peer, *that the Finance & Facilities Committee approve and forward to the Governance Committee amendments to policies G-180, G-210, G-310, G-330 and G-420 and send policy G-410 back to staff for further review.*

Carried

OTHER BUSINESS

Next meeting: Thursday, July 6, 2017 at 9:00 a.m., Room 3A, 50 King Street, London

CONFIDENTIAL

At 10:29 a.m., it was moved by Mr. Peer, seconded by Ms. Vanderheyden, *that the Finance & Facilities Committee move in-camera to discuss matters regarding identifiable individuals and a proposed or pending acquisition of land by the Middlesex-London Board of Health.*

Carried

At 11:58 a.m., it was moved by Ms. Vanderheyden, seconded by Mr. Peer, *that the Finance & Facilities Committee return to public session.*

Carried

At 11:58 a.m. the Finance and Facilities Committee returned to public session.

ADJOURNMENT

It was moved by Ms. Vanderheyden, seconded by Mr. Peer, *that the Finance & Facilities Committee adjourn the meeting.*

Carried

At 11:58 a.m., Chair Helmer *adjourned the meeting.*

JESSE HELMER
Vice-Chair, Finance & Facilities Committee

LAURA DI CESARE
Secretary-Treasurer



TO: Chair and Members of the Finance & Facilities Committee

FROM: Dr. Christopher Mackie, Medical Officer of Health

DATE: 2017 September 7

PROPOSED 2018 PBMA PROCESS, CRITERIA AND WEIGHTING

Recommendation

It is recommended that the Finance & Facilities Committee receive and recommend that the Board of Health approve the 2018 PBMA criteria and weighting, which is proposed in [Appendix A](#) to Report No. 029-17FFC.

Key Points

- MLHU is preparing for its fifth year of the PBMA criteria-based budgeting process.
- Criteria and weighting for the PBMA process were developed in 2013 in consultation with staff, senior leadership and the Board of Health. These were revised for 2014 to reflect the findings from staff values consultations and experience with the 2014 PBMA process.
- There are no proposed changes to the criteria and weightings for 2018.

Background

Program Budgeting Marginal Analysis (PBMA) is a criteria-based budgeting process that facilitates reallocation of resources based on maximizing service. This is done through transparent application of pre-defined criteria and decision-making processes to prioritize where proposed funding investments and disinvestments are made.

The 2018 PBMA Process

The 2018 PBMA process will consist of:

- a) Validating the assessment criteria and weighting by the Senior Leadership Team and the Non-Union Leadership Team;
- b) Approval of criteria and weighting by the Finance & Facilities Committee;
- c) Proposal development to identify investments that will have the greatest positive impact and disinvestments that will have the least negative impact;
- d) Review of proposals by internal advisory committees;
- e) Proposal review and recommendations by the Senior Leadership Team; and
- f) Review by the Finance & Facilities Committee and approval by the Board of Health.

The 2018 Criteria and Weights

The recommended criteria and weights for the 2018 PBMA process ([Appendix A](#)) remain unchanged from 2017. Management and staff are familiar with the weightings, and the Senior Leadership Team has endorsed their continued use. The criteria and weights will be reconsidered each year to respond to changing priorities, demands and strategic directions.

Next Steps

The criteria and weights approved by the Finance & Facilities Committee will be applied to each proposal for investment and disinvestment, and used to rate the potential for positive and negative impacts on program and service delivery at the Middlesex-London Health Unit. These proposals for investment and disinvestment will be brought to the Board of Health for approval as part of the 2018 budget process.

This report was prepared by the Finance Team, Corporate Services Division.

A handwritten signature in black ink, appearing to read 'C. Mackie', is positioned below the text of the report.

Christopher Mackie, MD, MHSc, CCFP, FRCPC
Medical Officer of Health

2018 PBMA Criteria

Criteria	2018 Weight	Change	2017 Weight
Legislative Requirement	14	-	14
Other Requirement – Alignment	6	-	6
Health Need – Burden of Illness	7	-	7
Health Need – SDOH	8	-	8
Impact – Burden of Illness	14	-	14
Impact – SDOH	14	-	14
Impact – Customer Service	11	-	11
Community Capacity	4	-	4
Collaboration / Partnership	7	-	7
Organizational Risks / Benefits – reputation/litigation	7	-	7
Organizational Risks / Benefits – implementation	3	-	3
Organizational Risks / Benefits – culture	5	-	5
Total	100		100

Legislative Requirement

Criteria	Weight	Ratings
Assess the impact of the proposed change on the ability of the program to meet the legislative requirements for this program / activity (if any)	14	DISINVESTMENT - Major negative impact on ability to meet the legislative requirements (-3.00) DISINVESTMENT - Moderate negative impact on ability to meet the legislative requirements (-2.00) DISINVESTMENT - Minor negative impact on ability to meet the legislative requirements (-1.00) BOTH - No impact on ability to meet the legislative requirements (0.00) INVESTMENT - Minor positive impact on ability to meet the legislative requirements (1.00) INVESTMENT - Moderate positive impact on ability to meet the legislative requirements (2.00) INVESTMENT - Major positive impact on ability to meet the legislative requirements (3.00)
<ul style="list-style-type: none"> In the rationale section, indicate whether this program / activity is specifically mandated under: (a) the Health Protection and Promotion Act via the OPHS, (b) other legislation, or (c) not mandated under legislation. Provide a hyper-link(s) (website address) where possible. If mandated under the OPHS, indicate which standard/protocol mandates the requirement/activity and quote the specific requirement for this program / activity. Indicate if there is an accountability agreement indicator associated with this program and if so, what the indicator is. If mandated by other legislation, provide a hyper-link to the requirements under the legislation. 		

Other Requirement

Criteria	Weight	Ratings
Assess the alignment of the proposed change with MLHU's Strategic Plan or other guidance documents	6	DISINVESTMENT - Considerable alignment with MLHU's Strategic Plan or other documents (-3.00) DISINVESTMENT - Some alignment with MLHU's Strategic Plan or other documents (-2.00) DISINVESTMENT - Little alignment with MLHU's Strategic Plan or other documents (-1.00) BOTH - No alignment with MLHU's Strategic Plan or other documents (0.00) INVESTMENT - Little alignment with MLHU's Strategic Plan or other documents (1.00) INVESTMENT - Some alignment with MLHU's Strategic Plan or other documents (2.00) INVESTMENT - Considerable alignment with MLHU's Strategic Plan or other documents (3.00)
<ul style="list-style-type: none"> Consider how this proposed change aligns with the Health Unit's strategic plan and other strategic documents such as the Ontario Public Health Sector Strategic Plan, Chief Medical Officer of Health reports, etc. 		

Health Need

Criteria	Weight	Ratings
Assess the need for this program / activity in terms of the burden of illness it is intended to prevent and/or the risk factor it is intended to reduce	7	DISINVESTMENT - Major health need (high prevalence & high severity) (-3.00) DISINVESTMENT - Moderate health need (either high prevalence or high severity) (-2.00) DISINVESTMENT - Minor health need (low prevalence & low severity) (-1.00) BOTH - No health need (0.00) INVESTMENT - Minor health need (low prevalence & low severity) (1.00) INVESTMENT - Moderate health need (either high prevalence or high severity) (2.00) INVESTMENT - Major health need (high prevalence & high severity) (3.00)
<ul style="list-style-type: none"> Using local statistics if possible, consider one or more of the following related to the burden of illness or risk factor being addressed by the program / activity: (a) potential years of life lost, (b) mortality rate, (c) hospitalization rate, (d) rate of illness or rate of risk factor in our community compared to other communities or the province as a whole 		

Health Need

Criteria	Weight	Ratings
Assess the need for this program/activity in terms of the social determinant of health (SDOH) it is intended to address and/or health inequities	8	DISINVESTMENT - Major SDOH or health inequity addressed by this program/activity (-3.00) DISINVESTMENT - Moderate SDOH or health inequity addressed by this program/activity (-2.00) DISINVESTMENT - Minor SDOH or health inequity addressed by this program/activity (-1.00) BOTH - No SDOH or health inequity addressed by this program/activity (0.00) INVESTMENT - Minor SDOH or health inequity addressed by this program/activity (1.00) INVESTMENT - Moderate SDOH or health inequity addressed by this program/activity (2.00) INVESTMENT - Major SDOH or health inequity addressed by this program/activity (3.00)
<ul style="list-style-type: none"> Using local statistics if possible, consider how the issue being address by this program / activity affects the social determinants of health (SDOH) and/or health inequities 		

Impact

Criteria	Weight	Ratings
Assess the expected impact of the proposed change to the program/activity on the burden of illness it is intended to prevent and/or the risk factor it is intended to reduce	14	DISINVESTMENT - Major increase in illness/risk factors (-3.00) DISINVESTMENT - Moderate increase in illness/risk factors (-2.00) DISINVESTMENT - Minor increase in illness/risk factors (-1.00) BOTH - No reduction/prevention of illness/risk factors (0.00) INVESTMENT - Minor reduction/prevention of illness/risk factors (1.00) INVESTMENT - Moderate reduction/prevention of illness/risk factors (2.00) INVESTMENT - Major reduction/prevention of illness/risk factors (3.00)
<ul style="list-style-type: none"> Consider how the proposed change is expected to impact on the health needs (outlined above) or other indicators, such as quality adjusted life years, when compared to current service. If these are unavailable, impact on shorter term outcomes of the program / activity can be considered (e.g., impact on knowledge, skills, attitudes etc.) Sources of the information above can be published literature, evaluation reports, health status reports, surveillance data etc. 		

Impact

Criteria	Weight	Ratings
Assess the expected impact of the proposed change to the program / activity on the SDOH and/or health inequities	14	DISINVESTMENT - Major increase in health inequities / negative effect on a SDOH (-3.00) DISINVESTMENT - Moderate increase in health inequities / negative effect on a SDOH (-2.00) DISINVESTMENT - Minor increase in health inequities / negative effect on a SDOH (-1.00) BOTH - No impact on health inequities / effect on a SDOH (0.00) INVESTMENT - Minor reduction of health inequities / positive effect on a SDOH (1.00) INVESTMENT - Moderate reduction of health inequities / positive effect on a SDOH (2.00) INVESTMENT - Major reduction of health inequities / positive effect on a SDOH (3.00)
<ul style="list-style-type: none"> Using local statistics if possible, consider how the issue being address by this program / activity affects the social determinants of health and/or health inequities 		

Impact

Criteria	Weight	Ratings
Assess the expected impact of the proposed change to the program / activity on client experience	11	DISINVESTMENT - Major decline in client experience (-3.00) DISINVESTMENT - Moderate decline in client experience (-2.00) DISINVESTMENT - Minor decline in client experience (-1.00) BOTH - No impact on on client experience (0.00) INVESTMENT - Minor improvement to client experience (1.00) INVESTMENT - Moderate improvement to client experience (2.00) INVESTMENT - Major improvement to client experience (3.00)
<ul style="list-style-type: none"> Consider how the change will impact the client experience which includes: (a) the extent to which the service respects client and family needs and values, (b) client safety, (c) cultural appropriateness, and (d) how the client will perceive the experience with regard to communication, staff professionalism, and being client focused. 		

Community Capacity

Criteria	Weight	Ratings
Is there duplication of a program / activity in the community? Assess if others in the community are doing some or all of this program / activity or if it is unique to the Health Unit.	4	DISINVESTMENT - No capacity in the community (-3.00) DISINVESTMENT - Limited capacity in the community (-2.00) DISINVESTMENT - Some capacity in the community (-1.00) BOTH - Considerable capacity in the community (0.00) INVESTMENT - Some capacity in the community (1.00) INVESTMENT - Limited capacity in the community (2.00) INVESTMENT - No capacity in the community (3.00)
<ul style="list-style-type: none"> Is there duplication of a program / activity in the community? Consider if there are others in the community who are doing all or part of this program / activity. Specifically, are others likely to fill in the gap in cases of disinvestment. If proposing possible discontinuation of the program / activity, if appropriate, use the rationale section to indicate those in the community who could take on this role. 		

Collaboration / Partnership

Criteria	Weight	Ratings
How does the proposed change affect collaboration/partnerships that contribute to meeting the Health Unit's goals outside of impact?	7	DISINVESTMENT - Major negative impact on collaboration/partnerships (-3.00) DISINVESTMENT - Moderate negative impact on collaboration/partnerships (-2.00) DISINVESTMENT - Minor negative impact on collaboration/partnerships (-1.00) BOTH - No impact on collaboration/partnerships (0.00) INVESTMENT - Minor improvement to collaboration/partnerships (1.00) INVESTMENT - Moderate improvement to collaboration/partnerships (2.00) INVESTMENT - Major improvement to collaboration/partnerships (3.00)
<ul style="list-style-type: none"> Consider the community partners involved in this program / activity and how being involved in this collaboration / partnership supports the Health Unit in achieving its goal and building goodwill in the community, as well as how the proposed change will affect this collaboration/partnership. 		

Organizational Risks / Benefits

Criteria	Weight	Ratings
Assess the risks/benefits to the Health Unit of implementing the proposed change. Specifically consider organizational reputation and risk of litigation that exists separately from our legislative mandates.	7	DISINVESTMENT - Major risk to reputation / of litigation (-3.00) DISINVESTMENT - Moderate risk to reputation / of litigation (-2.00) DISINVESTMENT - Minor risk to reputation / of litigation (-1.00) BOTH - No risk/benefit to reputation / of litigation (0.00) INVESTMENT - Minor benefit to reputation / decreased risk of litigation (1.00) INVESTMENT - Moderate benefit to reputation / decreased risk of litigation (2.00) INVESTMENT - Major benefit to reputation / decreased risk of litigation (3.00)

- Consider how this change will impact the reputation of the Health Unit and/or if this change puts the Health Unit at risk for litigation.

Organizational Risks / Benefits

Criteria	Weight	Ratings
ORGANIZATIONAL RISKS / BENEFITS: Assess the risks/benefits to the Health Unit of implementing the proposed change. Specifically consider implementation challenges (incl. ease of sustainment and impact on other frontline/support services)	3	DISINVESTMENT - Major implementation challenges (-3.00) DISINVESTMENT - Moderate implementation challenges (-2.00) DISINVESTMENT - Minimal implementation challenges (-1.00) DISINVESTMENT - No implementation challenges / INVESTMENT - Major implementation challenges (0.00) INVESTMENT - Minimal implementation challenges (1.00) INVESTMENT - Moderate implementation challenges (2.00) INVESTMENT - No implementation challenges (3.00)
<ul style="list-style-type: none"> Consider the following as possible implementation challenges in addressing this criteria: (a) how easy or difficult it will be to implement this change in the short-term? (b) how easy or difficult will the change be to sustain over the long-term? (c) how much impact will the change have on front line staff and/or support services? 		

Organizational Risks / Benefits

Criteria	Weight	Ratings
ORGANIZATIONAL RISKS / BENEFITS: Assess the risks/benefits to the Health Unit of implementing the proposed change. Specifically consider the impact on workplace culture and our values (e.g., morale, the ability to be innovative, internal collaboration)	5	DISINVESTMENT - Major risk to workplace culture (-3.00) DISINVESTMENT - Moderate risk to workplace culture (-2.00) DISINVESTMENT - Minor risk to workplace culture (-1.00) BOTH - No risk/benefit to workplace culture (0.00) INVESTMENT - Minor benefit to workplace culture (1.00) INVESTMENT - Moderate benefit to workplace culture (2.00) INVESTMENT - Major benefit to workplace culture (3.00)
<ul style="list-style-type: none"> Consider the impact of the change on factors such on our values, workplace morale, personal and professional growth opportunities, teamwork, the Health Unit's ability to be innovative, etc. 		



TO: Chair and Members of the Finance & Facilities Committee

FROM: Dr. Christopher Mackie, Medical Officer of Health

DATE: 2017 September 7

MIDDLESEX-LONDON HEALTH UNIT – MARCH 31 DRAFT FINANCIAL STATEMENTS

Recommendation

It is recommended that the Finance & Facilities Committee request that the Board of Health approve the audited Consolidated Financial Statements for the Middlesex-London Health Unit, March 31, 2017, as appended to Report No. 030-17FFC.

Key Points

- The draft Consolidated Financial Statements for the Middlesex-London Health Unit for programs with an operating year of April 1, 2016, to March 31, 2017, are attached as [Appendix A](#).

Background

The Board of Health is required to provide audited financial reports to various funding agencies for programs funded from April 1 to March 31 each year. The purpose of these reports is to assure the agencies that the funds were expended for their intended purposes. The agencies use this information for confirmation and as a part of their settlement process.

The following 100-percent-funded programs are included in the audited consolidated financial statements attached as [Appendix A](#):

Ministry of Children and Youth Services:

- Blind/Low Vision
- Preschool Speech and Language (tykeTALK)
- Infant Hearing Screening

Ministry of Health and Long-Term Care:

- Healthy Communities Partnership Fund (payable to MOHLTC only)
- Panorama Implementation Project

Public Health Ontario:

- Library Shared Services

Government of Canada:

- Smart Start for Babies Programs
- FoodNet Canada

The above programs represent approximately \$3.6 million of the Middlesex-London Health Unit's total operating budget of \$35.4 million.

These programs are also reported in the MLHU's main audited financial statements, which were approved by the Board of Health in June 2017. However, the main audited statements included the program revenues and expenditures of these programs for the period of January 1 to December 31, 2016, which does not coincide with the funding agencies' reporting requirements. Therefore, a separate audited statement is required.

Financial Review

The consolidated balance sheet can be found on page 2 of Appendix A. Its purpose is to provide the current value of assets (cash and prepaid expenses), which are balanced against current liabilities (deferred revenue brought forward into the next operating year, and the accumulated amount that must be repaid to the funding agencies).

The consolidated statement of operation is on page 3. Its purpose is to provide information regarding how programs are funded and how these revenues are used in fulfilling the programs' requirements. The following key points may be taken from this statement:

- 1) Revenue – the majority of MLHU revenue (97.3%) is comprised of grants from funding agencies (Province of Ontario, Government of Canada and Public Health Ontario).
- 2) Expenditures – the greater part of the Health Unit program costs, totalling \$3,173,153 (87.7%), relates to personnel costs. Program resources and public awareness accounts for \$194,977 (5.4%), equipment-related purchases account for \$113,929 (3.2%), and the remaining expenses (travel, office supplies, equipment, telephone, rent, etc.) account for \$132,094 (3.7%).

Combined, the programs completed the operating year with a surplus of \$1,657. A breakdown by program can be found on pages 8 and 9 of [Appendix A](#).

This report was prepared by the Finance Team, Corporate Services Division.



Christopher Mackie, MD, MHSc, CCFP, FRCPC
Medical Officer of Health

DRAFT Consolidated Financial Statements of

**MIDDLESEX-LONDON HEALTH UNIT
MARCH 31ST PROGRAMS**

Year ended March 31, 2017

INDEPENDENT AUDITORS' REPORT

To the Chair and Members, Middlesex-London Board of Health

We have audited the accompanying consolidated financial statements of Middlesex-London Health Unit March 31st Programs, which comprise the consolidated balance sheet as at March 31, 2017, the consolidated statement of operations and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Middlesex-London Health Unit March 31st Programs as at March 31, 2017 and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants, Licensed Public Accountants

September 21, 2017

London, Canada

MIDDLESEX-LONDON HEALTH UNIT MARCH 31ST PROGRAMS

Consolidated Balance Sheet

DRAFT

March 31, 2017, with comparative information for 2016

	2017	2016
Assets		
Current assets:		
Prepaid expenses	\$ 22,392	\$ 11,855
Due from Middlesex-London Health Unit	79,189	109,361
	<u>\$ 101,581</u>	<u>\$ 121,216</u>

Liabilities

Current liabilities:		
Due to funding agencies (note 3)	\$ 42,182	\$ 53,248
Deferred revenue	59,399	67,968
	<u>\$ 101,581</u>	<u>\$ 121,216</u>

The accompanying notes are an integral part of these consolidated financial statements.

On behalf of the Middlesex-London Health Unit:

Mr. Jesse Helmer, Chair
Board of Health

Dr. Christopher Mackie, MD, MHSC, CCFP, FRCPC
Chief Executive Officer and Medical Officer of Health

MIDDLESEX-LONDON HEALTH UNIT MARCH 31ST PROGRAMS

Consolidated Statement of Operations

DRAFT

Year ended March 31, 2017, with comparative information for 2016

	2017 Budget	2017 Actual	2016 Actual
Revenue:			
Programs revenue, funding agencies (note 4)	\$ 3,517,367	\$ 3,517,368	\$ 3,422,292
Interest income	-	449	570
Other income	97,948	97,993	57,978
	<u>3,615,315</u>	<u>3,615,810</u>	<u>3,480,840</u>
Expenditures:			
Personnel costs:			
Salaries and wages	656,386	639,523	713,442
Contract services	1,967,436	1,956,330	1,935,722
Allocated benefits	564,472	577,300	558,834
	<u>3,188,294</u>	<u>3,173,153</u>	<u>3,207,998</u>
Operating costs:			
Office and supplies	12,318	13,945	11,708
Office equipment, computers	2,520	2,381	3,755
Professional development	4,150	1,567	1,433
Travel	31,230	32,623	30,489
Public awareness	1,249	1,241	3,324
Program resources	181,882	193,736	132,841
Audit	5,163	6,452	6,561
Rent	59,438	56,644	58,483
Board fees and expenses	20	-	500
Telephone	21,051	18,482	16,140
Equipment	107,000	107,281	-
Equipment maintenance	1,000	6,648	-
	<u>427,021</u>	<u>441,000</u>	<u>265,234</u>
Net surplus (note 2)	-	1,657	7,608
Due to funding agencies, beginning of year (note 3)	-	53,248	66,155
Repayments during the year	-	(12,723)	(20,515)
Due to funding agencies, end of year (note 3)	\$ -	\$ 42,182	\$ 53,248

The accompanying notes are an integral part of these consolidated financial statements.

MIDDLESEX-LONDON HEALTH UNIT MARCH 31ST PROGRAMS

Consolidated Statement of Cash Flows

DRAFT

Year ended March 31, 2017, with comparative information for 2016

	2017	2016
Cash provided by (used in):		
Operating activities:		
Net surplus	\$ 1,657	\$ 7,608
Changes in non-cash operating working capital:		
Prepaid expenses	(10,537)	300
Deferred revenue	(8,659)	10,559
	<u>(17,449)</u>	<u>18,467</u>
Financing activities:		
Due from Middlesex-London Health Unit (note 3)	30,172	2,048
Repayments to funding agencies	(12,723)	(20,515)
	<u>17,449</u>	<u>(18,467)</u>
Change in cash, being cash, end of year	\$ -	\$ -

The accompanying notes are an integral part of these consolidated financial statements.

MIDDLESEX-LONDON HEALTH UNIT MARCH 31ST PROGRAMS

DRAFT Notes to Consolidated Financial Statements

Year ended March 31, 2017

The Middlesex-London Health Unit March 31st Programs (the "Programs") are 100% funded by the Province of Ontario, the Government of Canada, and Public Health Ontario and is delivered by Public Health Units in partnership with local and social service agencies.

1. Significant accounting policies:

(a) Basis of accounting:

Revenue and expenditures are reported using the accrual basis of accounting with the exception of employees' sick leave and vacation benefits which are charged against operations in the year in which they are paid.

Government transfers are recognized in the consolidated financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be made. Government transfers not received at year end are recorded as grants receivable due from the related funding organization in the consolidated balance sheet.

(b) Capital assets:

The historical cost and accumulated amortization of capital assets are not recorded in the consolidated financial statements. Capital asset additions and the related grant income are reflected in the consolidated statement of operations as incurred and earned respectively.

(c) Deferred revenue:

Funds received for expenses of future periods are deferred and recognized as income when the costs for which the revenue is received are incurred.

(d) Use of estimates:

The preparation of these consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

MIDDLESEX-LONDON HEALTH UNIT MARCH 31ST PROGRAMS

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

1. Significant accounting policies (continued):

(e) Government transfers:

The Middlesex-London Health Unit March 31st Programs has implemented Public Sector Accounting Board ("PSAB") Section 3410 – Government Transfers as of April 1, 2013. The standard discusses what the criteria are for a government transfer, recognition of the transferring and recipient governments, eligibility criteria/stipulations within the transfer, and presentation and disclosure information related to the government transfer. In accordance with the transitional guidance included within the standard, this change has been applied prospectively. There were no changes to the consolidated financial statements as a result of the implementation of this standard.

2. Surplus repayments:

The Programs funding agreements with funding agencies (the "Agencies"), provide for repayment of any Programs surpluses to the Agencies. Programs deficits are the responsibility of the Programs and must be funded through efficiencies in future years. As such, surpluses net of any deficits from prior years are recorded on the consolidated balance sheet as accounts payable to the Agencies.

3. Due to funding agencies:

Due to funding agencies consists of the following:

	2017	2016
Ministry of Children and Youth Services:		
Blind-low vision	\$ 267	\$ 239
Preschool speech and language	761	525
<u>Infant hearing</u>	186	154
	1,215	918
Ministry of Health and Long-Term Care:		
Healthy communities	-	12,723
<u>Panorama project</u>	-	-
	-	12,723
Public Health Ontario:		
Library shared services	39,415	38,119
Government of Canada:		
Smart start for babies	1,552	1,488
	\$ 42,182	\$ 53,248

MIDDLESEX-LONDON HEALTH UNIT MARCH 31ST PROGRAMS

DRAFT Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

4. Program revenue, funding agencies:

Program revenue, funding agencies consists of the following:

	2017	2016
Ministry of Children and Youth Services:		
Blind-low vision	\$ 166,102	\$ 158,702
Preschool speech and language	1,830,374	1,818,374
Infant hearing	977,807	835,886
	<u>2,974,283</u>	<u>2,812,962</u>
Ministry of Health and Long-Term Care:		
Healthy communities	-	-
Panorama project	129,700	203,900
	<u>129,700</u>	<u>203,900</u>
Public Health Ontario:		
Library shared services	111,527	107,475
Government of Canada:		
Smart start for babies	152,430	152,430
FoodNet Canada program	149,428	145,525
	<u>301,858</u>	<u>297,955</u>
	<u>\$ 3,517,368</u>	<u>\$ 3,422,292</u>

MIDDLESEX-LONDON HEALTH UNIT MARCH 31ST PROGRAMS

DRAFT Schedule - Consolidated Balance Sheet

Year ended March 31, 2017

	Blind-low Vision	Preschool speech and language	Infant hearing	Smart Start for babies	Library shared services	Total
Balance Sheet:						
Assets:						
Receivable from Middlesex-London Health Unit	\$ 267	\$ 58,389	\$ 186	\$ (19,069)	\$ 39,416	\$ 79,189
Prepaid expenses	1,772	-	-	20,620	-	22,392
Total assets	\$ 267	\$ 60,161	\$ 186	\$ 1,551	\$ 39,416	\$101,581
Liabilities:						
Due to funding agencies	\$ 267	\$ 761	\$ 186	\$ 1,551	\$ 39,416	\$42,182
Deferred Revenue	-	59,399	-	-	-	59,399
Total liabilities	\$ 267	\$ 60,161	\$ 186	\$ 1,551	\$ 39,416	\$101,581

MIDDLESEX-LONDON HEALTH UNIT MARCH 31ST PROGRAMS

DRAFT Schedule - Consolidated Statement of Operations

Year ended March 31, 2017

	Blind-low Vision	Preschool speech and language	Infant hearing	Smart start for babies	Healthy communities	Panorama project	Library shared services	FoodNet Canada program	Total
Revenues:									
Program revenue, Funding agencies	\$166,102	\$1,830,374	\$977,807	\$152,430	\$ -	\$129,700	\$111,527	\$149,428	\$3,517,368
Interest income	28	236	32	63	-	-	89	-	449
Other income	-	52,112	45,836	-	-	-	45	-	97,993
	166,130	1,882,722	1,023,676	152,493	-	129,700	111,661	149,428	3,615,810
Expenditures:									
Personnel costs:									
Salaries and wages	11,765	168,380	130,077	55,388	-	105,736	60,599	107,577	639,523
Contract services	106,033	1,269,953	563,117	14,227	-	-	-	3,000	1,956,330
Allocated benefits	31,110	356,639	110,538	12,380	-	23964	14,015	28,653	577,300
Total salaries, wages and benefits	148,909	1,794,972	803,732	81,996	-	129,700	74,615	139,230	3,173,153
Services and supplies:									
Office and supplies	-	5,708	7,999	120	-	-	48	-	13,945
Office Equipment, computers	1,661	-	720	-	-	-	-	-	2,381
Professional development	-	879	-	-	-	-	689	-	1,568
Travel	8,251	9,220	11,108	1,990	-	-	261	1793	36,623
Public awareness and promotion	-	1,241	-	-	-	-	-	-	1,241
Program resources and supplies	5739	5,5760	72,689	66,667	-	-	34,720	8,161	193,737
Audit	1,542	1,712	1,610	1,588	-	-	-	-	6,451
Rent	-	47,029	9,615	-	-	-	-	-	56,644
Telephone	-	15,964	2,242	-	-	-	32	244	18,482
Equipment	-	-	113,928	-	-	-	-	-	113,928
Total services and supplies	17,193	87,514	219,912	70,434	-	-	35,750	10,198	441,000
Total expenditures	166,102	1,882,486	1,023,643	152,429	-	129,700	110,364	149,428	3,614,153
Net surplus (deficit) (note 2)	28	236	32	63	-	-	1,296	-	1,657
Due to funding agencies, beginning of year (note 3)	239	525	154	1,488	12,723	-	38,119	-	53,248
Repayments, during the year	-	-	-	-	(12,723)	-	-	-	(12,723)
Due to funding agencies, end of year (note 3)	\$ 267	\$ 761	\$ 186	\$ 1,551	\$0	\$ -	\$ 39,415	\$ -	\$ 42,182



TO: Chair and Members of the Finance & Facilities Committee

FROM: Dr. Christopher Mackie, Medical Officer of Health

DATE: 2017 September 7

CANADA HEALTH INFOWAY INC. AGREEMENT

Recommendation

It is recommended that the Finance & Facilities Committee:

- 1) *Receive Report No. 031-17FFC for information; and*
- 2) *Request that the Board of Health authorize the Chair to sign the funding agreement ([Appendix A](#)) between the Middlesex-London Health Unit and Canada Health Infoway Inc.*

Key Points

- Canada Health Infoway Inc. is providing funding to health units in Ontario to enable the adoption of technologies that enhance the electronic submission and retrieval of immunization information.
- This funding will be used by the Middlesex-London Health Unit to adopt the PHIX and ICON initiatives, which will facilitate the reporting of immunization information to the Health Unit by Health Care Providers, and the submission and retrieval of immunization information by parents and individuals.

Background

Canada Health Infoway Inc. (CHI) is a not-for-profit corporation funded by the Government of Canada to foster and accelerate the development and adoption of electronic health information systems, common standards, and health surveillance and telehealth technologies, which are compatible and interoperable on a pan-Canadian basis.

CHI provides funding to health units to enable adoption of three components supporting the electronic submission of immunization information:

- PHIX (Public Health Information Exchange) enables Health Care Providers (HCPs) to submit immunization information securely for school-age patients via a link on the Health Unit's website. Recent changes to legislation, which will require doctors and other healthcare providers to report vaccines they administer to school-age populations directly to their local public health unit, will support this process.
- ICON (Immunization Connect Ontario) is a user-friendly website tool allowing the public to access the provincial Digital Health Immunization Repository (DHIR) securely to report immunizations and look up their immunization records.
- m-IMMs is a mobile platform that allows health units to use iPads to record immunizations when administered in schools or community settings.

Funding for the Middlesex-London Health Unit

The Middlesex-London Health Unit is eligible for up to \$64,000 in CHI funding to support adoption of the above three initiatives. Expenses eligible for CHI funding include employee salaries, occupancy, contractor fees and iPads (if adopting m-IMMS), if directly associated with implementation. At this time, MLHU will focus on implementing PHIX and ICON, and will investigate the feasibility of using m-IMMs at a later date.

The agreement requires of recipients an equal contribution of in-kind expenditures. The Ministry of Health and Long-Term Care has already incurred these expenditures in developing ICON, PHIX and m-IMMs. The Ministry has furnished the Health Unit with a letter stating that they have satisfactorily provided the required in-kind contribution.

Summary

Adoption of PHIX and ICON will facilitate the transmission of immunization information from HCPs to health units, and will improve health equity by standardizing the approach to public immunization record reporting and access across the province.

This report was prepared by the Vaccine Preventable Diseases Team, Environmental Health Infectious Diseases Division.



Christopher Mackie, MD, MHSc, CCFP, FRCPC
Medical Officer of Health

Execution Copy

Agreement Reference Number (Phase 2): HSON2.3_PHU

THIS AGREEMENT BETWEEN:

**Middlesex London Health Unit
("Sponsor")
AND
CANADA HEALTH INFOWAY INC.
("Infoway")**

Is effective this 1st day of March 2014 (the "Effective Date").

RECITALS:

WHEREAS Infoway is a not-for-profit corporation funded by the Government of Canada to foster and accelerate amongst other matters the development and adoption of electronic health information systems, common standards, health surveillance, and telehealth technologies, which are compatible and inter-operable on a pan-Canadian basis;

WHEREAS Sponsor is a public health unit of the City of London;

WHEREAS Sponsor is working with the Government of Ontario represented by the Ministry of Health and Long-Term Care ("MOHLTC"), as this Project will be of direct benefit to Ontario;

WHEREAS Sponsor wishes to commence the Project, which is of interest to both Sponsor and Infoway and is consistent with Infoway's mission;

WHEREAS Infoway is prepared to invest in the Project by providing certain funds upon the signature of this agreement relating to Eligible Costs and reimbursing certain Eligible Costs incurred by or under the direction of Sponsor directly related to the Project, upon the terms and conditions set out herein;

AND WHEREAS the parties agree to incorporate appropriate measures to protect personal health information in their activities in accordance with Privacy Requirements (as hereinafter defined);

NOW THEREFORE, IN CONSIDERATION of the covenants, agreements and promises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged. Sponsor and Infoway hereby agree as follows:

DEFINITIONS

As used in this Agreement, the following terms shall have the following meanings unless the context otherwise requires:

"Approved Detailed Budget" means a detailed budget for the Project that sets out all Project expenses by line item and that shall be agreed to between Sponsor and Infoway prior to commencement of the Project. The detailed budget is contained within the Project Charter.

"Business Day" means any day, other than Saturday, Sunday or any statutory holiday in the Province of Ontario.

"Confidential Information" means all trade secrets and other information not generally known to the public, and owned by one of the parties, or by any affiliates or subsidiaries of one of the parties, or by any of their respective suppliers, customers or other business partners. Confidential Information includes, without limitation, all inventions, discoveries, processes, ideas, financial information, legal, corporate, marketing,

product, research, technical, personnel, customer, supplier and other non-public information, in whatever form or media, specifically identified as confidential prior to or at the time of its disclosure or disclosed orally and confirmed in writing as confidential within five (5) days of such oral disclosure.

“**Contractor**” includes independent contractors, software vendors, custom developers or consultants retained by or under the direction of a party in connection with the Project.

“**Deliverables**” means any product to be delivered by the Sponsor to Infoway or a target to be achieved by Sponsor pursuant to a Statement of Work.

“**Eligible Costs**” means the reasonable direct costs incurred and paid by Sponsor or its Contractors relating directly to the Project more particularly described in the Approved Detailed Budget contained within the Project Charter and referenced in Appendix “A”, all of which meet the reimbursement criteria set out in Section 3.1.

“**In-Kind Eligible Project Expenses**” means contribution(s) made by Sponsor (either directly or by a third party) that has (have) a measurable value but do not involve the outlay of cash by Sponsor. This type of expense(s) may include but is (are) not limited to: volunteer resource time to prepare deliverables as well as donations of goods, services or cash by third parties in favour of Sponsor. An In-Kind Eligible Project Expense is subject to the guidelines specified in the attached Schedule “F”. In-Kind Eligible Project Expenses shall be provided by the MOHLTC.

“**Materials**” means all working papers, surveys, notes, plans, designs, reports, records, studies, drawings, examinations, assessments, procedures, specifications, evaluations, results, conclusions, interpretations, calculations, analysis, systems, software, code, documents, writing, programs, data or any components or compilations of the same regardless of how they are represented, stored, produced or acquired.

“**Non-Recoverable Sales Tax**” means Sales Tax that is not recoverable by the Sponsor.

“**Privacy Requirements**” means the federal, provincial and /or territorial privacy legislation applicable to Sponsor and/or the Project, as well as any detailed Privacy Impact Assessment policies, requirements, guidelines or standards established by a privacy regulatory authority or ombudsman or other regulatory authority, governmental or other similar authority, applicable to Sponsor, as amended from time to time.

“**Project**” means the project described in the Project Charter.

“**Project Charter**” means the project charter entitled “Leveraging Panorama for Enhanced Interoperability” identified in Schedule “A”.

“**Recoverable Sales Tax**” means Sales Tax that is recovered or recoverable by the Sponsor.

“**Reimbursement Schedule**” means the schedule of reimbursement of Sponsor’s Eligible Costs attached as Schedule “E”, as may be amended from time to time.

“**Representatives**” mean collectively employees, agents and Contractors.

“**Sales Tax**” means collectively, federal goods and services tax and any applicable provincial sales taxes.

“**Services**” means the services provided by Sponsor to Infoway that are described in a Statement of Work.

“**Specifications**” means the requirements for the Deliverables described in the applicable Statement of Work.

“**Statement of Work**” means the Statement of Work entitled “Leveraging Panorama for Enhanced Operability” specifically the Appendix entitled PHU SOW, which is identified in Schedule “C”.

ARTICLE 1– PROJECT DEVELOPMENT

1.1 Development and Delivery of Deliverables

For the Project, Sponsor shall develop, complete and provide the Deliverables to Infoway in accordance with the applicable Statement of Work.

Sponsor will not be held responsible for delays in the development of the Deliverables introduced by circumstances beyond Sponsor’s control due to *Force Majeure* (Section 11.13) or other reasonable circumstances. Any potential delay will be communicated to Infoway in writing as they are identified.

1.2 Changes to Schedules

A change to any of the Schedules to this Agreement in respect of:

- a) the purpose, governance structure, scope, timing or Approved Detailed Budget of the Project;
- b) the nature, scope or timing of completion of Deliverables; or
- c) Infoway’s percentage reimbursement of Eligible Costs, Infoway’s total reimbursement of Eligible Costs or the milestones for reimbursement of Eligible Costs with respect to the Project;

which does not create or impose any additional financial obligation on the parties may be effected without the formal amendment process set out in Section 11.18. Once a change to any of the Schedules has been made, a revised Schedule incorporating such change shall be attached to this Agreement to replace the original Schedule so amended. Any other change to any of the Schedules to this Agreement and any change to this Agreement (excluding the Schedules), may only be made in accordance with the formal amendment process set out in Section 11.18.

1.3 Project Manager

For the Project, each of the parties shall designate an individual as its respective project manager (the “**Project Manager**”) for the purposes of representing it in managing the Project and its obligations. The Project Manager of each party shall be responsible for arranging all meetings between the parties and for the transmission and receipt of, among other things, the Project Charter, Statement of Work, Deliverables and any other information or notices to be delivered between the parties.

1.4 Progress Reports

Sponsor shall provide the MOHLTC with monthly reports in a format agreed to by the Project Managers on the progress, milestones and financial status of the Project (the “**Progress Reports**”).

1.5 Certification and Representation of Compliance

The Invoice (Schedule E) contains a section entitled Certification and Representation of Compliance that is duly executed by senior officers of the Sponsor certifying that the Invoice complies with the terms of this Agreement. All costs specified in any invoice submitted to Infoway represent Eligible Costs that have been properly incurred by Sponsor or an In-Kind Eligible Project Expense meeting the criteria set out in this Project Agreement (the “**Certification and Representation of Compliance**”). In-Kind eligible expenses are expected to be provided for the Project by MOHLTC.

1.6 Deficiencies in Deliverables

Within thirty (30) days of its receipt of any Deliverable or any revised Deliverable, Infoway shall notify Sponsor in writing (the “**Deficiency Notice**”) of any errors or deficiencies or failure to conform to the

Specifications in respect of such Deliverable (a “**Deficiency**”). Sponsor shall correct each Deficiency at no extra charge to Infoway and submit to Infoway a revised Deliverable.

1.7 Acceptance of Deliverables

Infoway shall not be obliged to accept delivery of any Deliverable if it is not in full compliance with the Specifications as outlined in the Statement of Work. No Deliverable shall be deemed accepted by Infoway until Infoway delivers an acceptance notice via email to Sponsor in respect of such Deliverable (an “**Acceptance Notice**”). Subject to Section 1.6, Infoway shall use commercially reasonable efforts to deliver an Acceptance Notice to Sponsor within thirty (30) days of its receipt of such Deliverable from Sponsor.

1.8 Compliance with Timetable

Sponsor shall provide the Deliverables in accordance with the timetable set forth in Schedule E.

1.9 Notification re Compliance

Sponsor shall notify Infoway of any cause that could result in a material adverse impact upon Sponsor’s ability to perform the Services or provide the Deliverables in a timely manner and/or pursuant to applicable laws and Privacy Requirements upon Sponsor becoming aware of such cause.

ARTICLE 2 – CO-OPERATION AND ASSISTANCE

2.1 Infoway Obligations

Infoway shall provide reasonable co-operation and assistance to Sponsor in the development of the Deliverables by providing to Sponsor such information and such access to Infoway’s personnel, facilities, equipment, databases, software, or other resources as may be expressly set out in the applicable Statement of Work.

2.2 Sponsor Obligations

- a) Sponsor shall maintain financial resources sufficient to cover its share of the cost for all of the Deliverables.
- b) With respect to In-Kind Eligible Project Expenses the Sponsor, in expected collaboration with the MOHLTC, shall monitor and keep track of such expenses to maintain the funding ratio specified in Schedule E - Reimbursement Schedule and in accordance with Schedule “F”, In-Kind Eligible Project Expenses Guidelines.
- c) Sponsor shall ensure and warrant that no current or former federal servant or public office holder who is subject to the federal *Conflict of Interest and Post Employment Code for Public Office Service, the Values and Ethics Code for the Public Service or The Conflict of Interest and Post-Employment Code for Public Office Holders* shall derive any direct benefit under this Agreement, including without limitation any share or part of Eligible Costs or funds to be reimbursed under this Agreement.
- d) Sponsor shall ensure and warrant that no member of the House of Commons or the Senate shall be entitled to any share or part of Eligible Costs or funds to be reimbursed under this Agreement or to any benefit arising therefrom.

2.3 MOHLTC Ontario Contributions

The Project deliverables depend substantially on contributions to be made by MOHLTC. Details of expected MOHLTC contributions and involvement in the Project are detailed in the Statement of Work and Project Charter.

ARTICLE 3 – REIMBURSEMENT

3.1 Reimbursement

- a) Infoway agrees, subject to the terms of this Agreement, to reimburse the Eligible Costs at the percentage and based on the maximum amounts indicated in the Reimbursement Schedule.
- b) Eligible Costs shall be determined according to the Eligible Cost Guidelines set out in Schedule “B” and the following general criteria and limitations. Eligible Costs shall:
 - i) be calculated on an actual cost incurred basis and shall not be based on estimates, notional value, market value or on any other basis;
 - ii) be net of any discount, rebate, allowance or similar provision that effectively decreases Sponsor’s actual cost;
 - iii) not include any Recoverable Sales Tax; and
 - iv) not include any overhead costs unless the parties have expressly agreed in writing that these shall be considered as Eligible Costs in the Project Charter or the Approved Detailed Budget.
- c) Conditions Precedent to Reimbursement:

Infoway agrees to reimburse Eligible Costs, subject to the terms set out in this Agreement, if all of the following conditions have been fulfilled:

 - i) the costs presented for reimbursement are Eligible Costs;
 - ii) Infoway has delivered an Acceptance Notice via email to Sponsor in respect of the Deliverable set out in the applicable Statement of Work.
 - iii) Sponsor has provided a duly completed Certification and Representation of Compliance in the format attached as Schedule E. The appropriate supporting documents shall be agreed to between the parties from time to time.

3.2 Carry Forward of Eligible Costs

Should the Eligible Costs for a particular Deliverable to be reimbursed to Sponsor exceed the budgeted allocation for the relevant Deliverable, Sponsor may carry back and apply the variance to a previous Invoice or carry forward the variance to a future Invoice, if Infoway’s reimbursement of such earlier Invoice was less than the budgeted allocation for the relevant Deliverable referenced on such earlier Invoice, provided however that at no time shall Infoway’s payment to Sponsor in respect of any Deliverable exceed its total reimbursement obligation for the Project as set out in the Reimbursement Schedule. If Eligible Costs for a particular Deliverable are less than the budgeted allocation for the relevant Deliverable, Sponsor may carry forward and aggregate the variance to a subsequent budgeted Deliverable allocation, provided however that at no time shall Infoway’s payment to Sponsor in respect of any Deliverable exceed its total reimbursement obligation for the Project, as set out in the Reimbursement Schedule.

3.3 Billing and Payment Process

Unless the parties expressly agree in writing to an alternative billing and payment process, the following process shall govern:

- a) Sponsor shall submit a draft invoice to Infoway's Project Manager for review with respect to the reimbursement of Eligible Costs plus GST/HST or other provincial sales taxes, if applicable. This invoice shall be in the form attached as Schedule "E" (an "Invoice"), be accompanied with the documentation and with the appropriate supporting documentation.
- b) Infoway's Project Manager will then perform a preliminary review and due diligence of the draft Invoice submitted to determine whether the Invoice complies with the terms of this Agreement. Infoway's Project Manager will advise Sponsor if the draft Invoice does not contain all the information specified in Schedule "E" or if it does not comply with the terms of this Agreement and the reasons why the draft Invoice was rejected. In such case, Sponsor shall promptly remedy the situation and prepare a revised Invoice which complies with the terms of this Agreement.
- c) The Invoice in its final format with the documentation, as described in Section 3.1(c) (iii), shall be provided by Sponsor to MOHLTC for inclusion of In-Kind expenses. MOHLTC will forward the Invoice to Infoway's Accounts Payable, CorporateFinance@Infoway-Inforoute.ca. Unless otherwise agreed by the parties in writing, the Invoice shall be provided by Sponsor to MOHLTC within thirty (30) days after delivery of an Acceptance Notice to Sponsor.
- d) Infoway will review the Invoice and the supporting documentation for compliance with the terms of this Agreement. Should there be any issues with the Invoice, Infoway will advise Sponsor of the reasons why the Invoice and documentation is not in order. Sponsor shall be entitled to provide a revised Invoice which complies with the terms of this Agreement.
- e) Eligible Costs shall be reimbursed within thirty (30) Business Days following the later of the following two dates:
 - i) The date of delivery of Infoway's Acceptance Notice, or
 - ii) The date, on which Infoway is satisfied, acting reasonably, that all costs set out in the Invoice for which Sponsor is seeking reimbursement are Eligible Costs.

3.4 Sales Taxes

Sponsor undertakes to advise Infoway in writing, prior to or upon execution of the Agreement, of its current tax status as it pertains to Sales Taxes. Supporting documentation confirming the above is to be concurrently supplied to Infoway. Should this status change during the term of the Agreement, Sponsor will expeditiously provide written confirmation of such changed status along with applicable supporting documentation to Infoway.

Sponsor undertakes to advise Infoway in writing prior to or upon execution of this Agreement, as to whether the services rendered under this Agreement are taxable, exempt, zero-rated or not subject to Sales Taxes.

At Infoway's request, Sponsor shall provide Infoway with appropriate documentation and the reasons why any Sales Tax incurred by it is Non-Recoverable Sales Tax. If Infoway believes, acting reasonably, that any Sales Tax, which has been included in an Invoice for reimbursement as Non-Recoverable Sales Tax is, in fact, Recoverable Sales Tax, Infoway may choose not to reimburse such Sales Tax until it is satisfied that such Sales Tax is Non-Recoverable Sales Tax. Where Infoway has reimbursed Sponsor for Sales Tax which is Recoverable Sales Tax, Infoway shall have the right (in addition to any other rights it may have at

law, in equity or otherwise) at its option, to set-off such amounts reimbursed against any future amounts to be reimbursed to Sponsor.

3.5 Audit and Document Retention

During the term of this Agreement and following the termination or expiration thereof, Infoway shall have the right to conduct, from time to time, at Infoway's sole expense, audits and/or continued due diligence in respect of the Project and this Agreement for such purposes as Infoway may reasonably determine, including, without limitation, for the purpose of determining whether Sponsor has complied, and is complying, with the terms of this Agreement. The timing of each such audit shall be determined by Infoway, acting reasonably. Prior to accessing any of Sponsor's premises or facilities, Infoway agrees to provide at least 30 calendar days' notice of such audit or due diligence so as to disrupt to the least extent possible Sponsor's business operations and agrees that its representatives will comply with all security and confidentiality policies of Sponsor.

Sponsor agrees to maintain adequate Project accounting records to substantiate all Eligible amounts claimed. In-Kind Eligible Project Expense(s) are expected to be provided by the MOHLTC. The records relating to Eligible Costs must include, but are not limited to copies of contracts with suppliers of goods and services, paid invoices, time-keeping records and logs as well as related receipts and supporting documentation. With respect to In-Kind Eligible Project Expense(s) it is expected that Ministry records shall include but not be limited to time-keeping records, logs, appraisals, market value evaluations or assessments, related receipts and supporting documentation.

Sponsor shall ensure that and advise any third party who provides goods or services to the Project by means of in-kind contributions, that he/she/it must maintain adequate records to substantiate the nature and value of such contributions and that such third party shall keep copies of the pertinent material in its own records. Sponsor understands and will advise the third party that such records will be subject to audit by Infoway.

For six (6) years or such longer period as required by applicable law following the termination or expiration of this Agreement (the "Outside Date"), Sponsor shall maintain all necessary records to substantiate:

- i) All payments under this Agreement; and
- ii) That Deliverables were provided in accordance with this Agreement and applicable law.

ARTICLE 4 – CONFIDENTIAL INFORMATION

4.1 Confidential Information

Confidential Information may be disclosed by one party hereto to the other party hereto under this Agreement. Confidential Information does not include information that:

- a) at the time of its creation or disclosure to one party hereto by the other party hereto, was in the public domain or was created or disclosed for the purpose of being in the public domain;
- b) after the time of its disclosure to one party hereto by the other party hereto, becomes part of the public domain otherwise than through any act or omission by a party hereto in breach of this Article 4;
- c) was disclosed to one of the parties hereto by a third party who obtained such information without any confidentiality restrictions; or
- d) subject to Section 4.4, information that a party hereto develops independently of the other party hereto.

Where any combination of information disclosed hereunder consists of Confidential Information and non-confidential information, all of such information shall be deemed to be Confidential Information.

4.2 Disclosure to Representatives

A party hereto shall not disclose the Confidential Information to any person other than to its Representative, provided that such Representative delivers to such party a written undertaking to comply with the obligations in this Agreement pertaining to the protection of Confidential Information. Where required by the other party hereto, such party shall provide to such other party written confirmation, satisfactory to such other party, acting reasonably, that such Representative has agreed to be bound by the terms of this Article 4.

4.3 Forced Disclosure

In the event that a party hereto or any of its Representatives becomes legally compelled to disclose any of the Confidential Information, such party shall provide the other party hereto with prompt written notice thereof so that such other party may seek a protective order or other appropriate remedy prior to such disclosure. Such disclosure shall not exceed the extent of disclosure required to fulfill the legal obligation.

4.4 Ownership of Confidential Information

All Confidential Information disclosed by one party hereto to the other party hereto or such other party's Representatives shall, as between the parties hereto, remain the sole and exclusive property of the disclosing party including without limitation: (a) all ideas, concepts, information, trade secrets, know-how, business strategies and methods relating to the Confidential Information; (b) all physical material containing, bearing, or embodying any Confidential Information in human or machine readable form, including, without limitation, all documents, agreements, diagrams, charts, graphs, computer programs, computer diskettes, and computer files; and (c) all rights in the Confidential Information, regardless of whether these items were created, generated, developed, produced or prepared by or on behalf of the disclosing party, and regardless of whether these items came into being before or after the date hereof.

4.5 Return of Confidential Information

Upon the request of a party hereto, the other party hereto will promptly return to such party, or at such party's election, destroy all Confidential Information in its possession or in the possession of its Representatives. Such party shall use its commercial best efforts to cause its Representatives and any other party acting under its direction or control to return all Materials containing Confidential Information, including all copies, notes, summaries and outlines.

4.6 Disclosure of Information

- a) Each party will discuss and obtain the other party's written agreement prior to making any public announcement or communication relating to the execution or status of this Agreement (the "**Formal Announcement**"), such agreement not to be unreasonably withheld or delayed;
- b) Subsection 4.6a) shall not apply to communications (including, without limitation, website postings) which are consistent with or within the scope of a previously approved Formal Announcement; and
- c) Subsection 4.6a) shall not apply to communications required by law or requested by:
 - i) Her Majesty the Queen in Right of Canada in respect of Infoway; and
 - ii) Her Majesty the Queen in Right of Ontario in respect of Sponsor.

4.7 Use of Logos/Trademarks

Each party will discuss and obtain the other party's written agreement prior to using the other party's trademark or logo. Neither party shall knowingly use:

- a) the trade-mark;
- b) visual identity;
- c) design, domain name, geographical indication, insignia, logo, official mark or other designation, indication, symbol or trade-mark;

of the other party, if any, including any developments and modifications of them, without the express prior written authority of the other party to do so.

ARTICLE 5 – SPONSOR LIABILITY AND INDEMNITY PROVISIONS

5.1 Sponsor Liability

Sponsor agrees to pay any legal fees incurred by Infoway; any fines, penalties, damages, and/or court ordered payments awarded against Infoway; and/or any settlement amount agreed to between Infoway and any third party resulting from a claim for damages against Infoway, its officers, directors, subcontractors, agents, Representatives and/or affiliates, for any and all losses, damages, liabilities, costs, fines, charges, disbursements, claims (including third-party claims), demands and expenses (including reasonable legal fees and costs) (collectively, "**Losses**") arising out of or in connection with:

- a) Sponsor's breach of any of its representations, warranties, or covenants contained herein;
- b) any acts or omissions which involve negligence, recklessness or intentional misconduct on the part of Sponsor or any of its Representatives; or
- c) personal injury or property damage caused by Sponsor or its employees to Infoway, its employees or agents or to any third party in Sponsor's course of providing the Services or producing the Deliverable.

Sponsor shall take all reasonable steps to ensure that its Representatives are similarly liable for any damages Infoway may suffer as a result of the actions of the Representatives.

Except for the liability contained in Subsection 5.1c) which shall be unlimited, Sponsor's liability to Infoway under this Agreement shall be limited, in the aggregate, to the total amount actually paid to Sponsor by Infoway under this Agreement.

5.2 Infoway's Indemnity

Infoway shall defend and indemnify and hold harmless the Sponsor, its officers, directors, contractors, agents, Representatives and/or affiliates from any and all Losses of the type described in the first paragraph of Section 5.1 (*i.e.*, as if all references to Infoway therein were references to the Sponsor and *vice versa*) which are incurred by the Sponsor as a result of a breach by Infoway of any of its representations, warranties or covenants contained in this Agreement. or any acts or omissions which involve negligence, recklessness or intentional misconduct on the part of Infoway, its Representatives or anyone that Infoway is responsible for.

Infoway's obligation to indemnify the Sponsor shall be limited, in the aggregate, to the total amount actually paid to the Sponsor by Infoway under this Agreement.

5.3 Notice of Indemnity

Each party shall promptly notify the other of any claim with respect to which it is entitled to indemnification under Section 5.1 or Section 5.2, as the case may be, and shall co-operate with the indemnifying party, at the indemnifying party's request and expense, in the defence and settlement thereof. The indemnifying party shall control the defence and settlement of any such claim provided that the indemnifying party may not adopt any defence or agree to any claim or settlement which would require the indemnified party to admit liability or pay any amount without the express prior written consent of the indemnified party, which consent shall not be unreasonably withheld. The indemnified party shall have the right, at its option and expense, to participate in the defence of any action or proceeding through counsel of its own choosing. Under this Section 5.3, Infoway is the "indemnifying party" and Sponsor is the "indemnified party".

ARTICLE 6 – REPRESENTATIONS, WARRANTIES AND COVENANTS

6.1 Infoway Representations

Infoway hereby represents to Sponsor as follows:

- a) Infoway has the full right, power, legal capacity and authority to perform its obligations under this Agreement;
- b) the entering into of this Agreement will not conflict with, or result in, a breach of the terms, conditions or provisions of, or constitute a default under, any agreement to which Infoway is bound; and
- c) it is a corporation continued under the *Canada Not-for profit Corporations Act*.

6.2 Sponsor's Representations, Warranties and Covenants

Sponsor hereby represents warrants and covenants to Infoway as follows:

- a) Sponsor has the full right, power, legal capacity and authority to perform the Services and produce the Deliverables as provided under this Agreement;
- b) the entering into of this Agreement will not conflict with, or result in, a breach of the terms, conditions or provisions of, or constitute a default under, any agreement to which Sponsor is bound;
- c) Sponsor is a public health unit of a regional municipality established by Act of the Legislative Assembly of Ontario.
- d) Sponsor has all rights and authority necessary to perform the Services and to produce, reproduce and deliver the Deliverables, for use and re-use on a pan-Canadian basis by Infoway, including without limitation, the rights to authorize reproduction, adaptation, and telecommunication to the public of the Deliverable and any portion or elements thereof, by way of the assignments, licenses and grants, as applicable, herein granted to Infoway;
- e) no portion of any Deliverable delivered hereunder will contain any protection feature designed to prevent, or otherwise impair, its use by Infoway or any other person;
- f) the development, delivery or use of any Deliverable shall not infringe or induce the infringement of any intellectual property rights of any third party;

- g) Sponsor and its Representatives possess the necessary skill and expertise to provide the Deliverables in accordance with the highest industry standards and otherwise provided herein;
- h) all Deliverables will be provided and delivered in accordance with the terms of this Agreement, the applicable Statement of Work and all applicable law;
- i) there are and will be no liens, claims, encumbrances, legal proceedings or, to the best of the knowledge of Sponsor, restrictions, agreements or understandings that might conflict or interfere with, limit, or be inconsistent with or otherwise affect any of the provisions of this Agreement or the enjoyment by Infoway of any rights in any of the Deliverables; and
- j) the person(s) signing this Agreement on behalf of Sponsor has (have) been duly authorized to do so by all necessary corporate action of Sponsor or by appropriate resolutions, as applicable, and this Agreement has been duly and validly executed by Sponsor and constitutes a legal, valid and binding obligation of Sponsor enforceable against it in accordance with its terms.

ARTICLE 7– INSURANCE

7.1 Sponsor’s Insurance

Sponsor shall put in effect and maintain, all the necessary and appropriate type of insurance that a prudent and reasonable person in the same situation as Sponsor would maintain, with insurers legally licensed and registered in the appropriate province of Canada and acceptable to Infoway acting reasonably. The insurance coverage required includes but is not limited to the following:

- a) commercial/comprehensive general liability (including any excess liability coverage) to an inclusive limit of not less than two million dollars (\$2,000,000.00) per occurrence, on property damage, bodily injury and personal injury; and
- b) errors and omissions liability (including any excess liability coverage), to the extent applicable to the Deliverable, in an amount of not less than two million dollars (\$2,000,000.00) per occurrence, insuring liability for errors and omissions in the performance of, or failure to perform, professional services contemplated in this Agreement.

Where requested by Infoway the Sponsor shall provide to Infoway appropriate evidence of its ability to meet the insurance requirements set out above.

7.2 Deductibles and Self-Insured Retentions

All deductibles and self-insured retentions shall be the sole responsibility of Sponsor.

ARTICLE 8 – TERMINATION

8.1 Term of Agreement

This Agreement shall become effective on the Effective Date and shall remain in effect until terminated in accordance with the provisions of this Article 8.

In addition to the other termination rights under this Agreement, Sponsor or Infoway may terminate this Agreement at any time of convenience, upon giving at least ninety(90) days’ written notice to the other Party (or as may otherwise be expressly agreed by the Parties), which termination will be without cost or liability to either Party. Sponsor or Infoway will not exercise such right of termination arbitrarily or unreasonably, and will do so only if the Party reasonably believes that circumstances have arisen that make it unlikely that the Deliverable and/or adoption targets can be completed as contemplated by this

Agreement and/or within the timeline specified in the Agreement or if the Party's senior management becomes reasonably concerned that it may incur liability or unacceptable risk under this Agreement. Without limiting the foregoing, the occurrence of any one or more of the following events shall entitle either Party to terminate this Agreement for convenience in accordance with this Section 8.1:

- a) a failure of Infoway to provide timely payments under this Agreement;
- b) unreasonable delays in Sponsor fulfilling its obligations;
- c) a claim against either Party with respect to the subject matter of this Agreement; and
- d) a dispute with respect to timely delivery, quality and/or acceptance of Deliverables.

In the event of such termination, Sections 8.5 and 8.6 shall apply.

8.2 Termination by Infoway for Default of Sponsor

In addition to all other rights of termination available at law, or events of termination by operation of law, Infoway may immediately terminate this Agreement where:

- a) Sponsor becomes bankrupt or insolvent, or takes action to become a voluntary bankrupt, makes an assignment for the benefit of its creditors or proposes to its creditors a reorganization, arrangement, composition or readjustment of its debts or obligations or otherwise proposes to take advantage of or shelter under any law for the protection of debtors;
- b) Sponsor or its Representatives is in breach of any provision of Article 4;
- c) Sponsor is in breach of Subsections 6.2d, 6.2e, 6.2f or 6.2g;
- d) Sponsor assigns this Agreement without first obtaining the written approval of Infoway; or
- e) in the opinion of Infoway, acting reasonably, there has been a material adverse change in the business operations of Sponsor, which affect the ongoing viability of the Project. In these circumstances Infoway may also suspend the terms of this Agreement as it relates to the reimbursement of Eligible Costs until the situation is rectified to its reasonable satisfaction.

8.3 Termination by Sponsor for Default of Infoway

In addition to all other rights of termination available at law, or events of termination by operation of law, Sponsor may immediately terminate this Agreement where:

- a) Infoway becomes bankrupt or insolvent, or takes action to become a voluntary bankrupt, makes an assignment for the benefit of its creditors or proposes to its creditors a reorganization, arrangement, composition or readjustment of its debts or obligations or otherwise proposes to take advantage of or shelter under any law for the protection of debtors; or
- b) Infoway or its Representatives are in breach of any provision of Article 4.

8.4 Rectification Notice

Without limiting Infoway's rights under Section 1.6 to issue a Deficiency Notice, where one party (the "**Defaulting Party**") is in default of any of its obligations, representations, warranties or covenants in this Agreement (except those referred to in Subsections 8.2 above), the other party (the "**Non-Defaulting Party**") may issue a rectification notice to the Defaulting Party setting out the defaults requiring rectification (a "**Rectification Notice**"). Any dispute with respect to the Rectification Notice shall be

resolved using the procedure outlined in Section 10.1 herein. If the Defaulting Party does not dispute the contents of the Rectification Notice within five (5) Business Days following receipt of the Rectification Notice, the Defaulting Party shall either (a) comply with the Rectification Notice and rectify the defaults referred to in the Rectification Notice within five (5) Business Days in a manner satisfactory to the Non-Defaulting Party in its sole discretion; or (b) where it is not possible to rectify the defaults referred to in a Rectification Notice within five (5) Business Days, provide a rectification plan satisfactory to the Non-Defaulting Party in its sole discretion. If the Defaulting Party fails to either comply with the Rectification Notice or to provide a satisfactory rectification plan within five (5) Business Days, the Non-Defaulting Party may immediately terminate this Agreement without further act or formality.

8.5 Sponsor's Obligations on Termination

Upon termination of this Agreement, Sponsor shall deliver to Infoway:

- a) a report detailing (i) the current state of the provision of the Deliverable(s) by Sponsor and its Representatives as at the date of termination; (ii) all work in process (including notes and drafts) and (iii) any other information requested by Infoway pertaining to the delivery of the Deliverable(s), and the financial status and other performance of this Agreement and the Project;
- b) such documentation as may be required by Infoway to give effect to the termination of this Agreement and to the rights herein granted, executed by Sponsor and/or its Representatives;
- c) all Infoway Confidential Information in the possession of Sponsor or its Contractors or their respective Representatives; and
- d) all Materials related to the Project useful for Infoway to facilitate use of the Deliverable(s) and/or transfer of Sponsor's obligations under this Agreement.

8.6 Infoway's Obligations on Termination

Upon termination of this Agreement, Infoway shall be responsible for the reimbursement of Eligible Costs incurred in accordance with the terms of this Agreement up to and including the effective date of any termination of this Agreement. It is understood that the termination of this Agreement shall not relieve the Sponsor of its warranties and other responsibilities relating to the Deliverables provided to Infoway prior to the effective date of termination of this Agreement or with respect to Section 11.1 of this Agreement.

8.7 Termination in Addition to Other Rights

The express rights of termination in this Agreement are in addition to, and shall in no way limit, any rights or remedies Infoway or the Sponsor may have under this Agreement, at law or in equity, provided that, upon termination of this Agreement, neither party shall have any further or other claim for damages or other remedy against the other save and except as set forth in Article 5 and Sections 8.5, 8.6 of this Agreement.

ARTICLE 9– NOTICES

9.1 Notices

All notices, requests, demands, claims, and other communications hereunder shall be in writing. Any notice, request, demand, claim, or other communication hereunder shall be deemed duly given (i) when delivered, if personally delivered or, (ii) when receipt is electronically confirmed, if faxed or e-mailed (with hard copy to follow via courier as aforesaid, in each case addressed to the intended recipient set forth in Schedule "D" hereto. Either party may change its address or designated official (Schedule D) for notice from time to time by notice given in accordance with the foregoing. Any subsequent notice shall be sent to the party at its changed address.

ARTICLE 10 – DISPUTE RESOLUTION

10.1 Mechanism

All disputes and questions whatsoever which shall arise between any of the parties hereto in connection with this Agreement, or the construction or application thereof or any Section or thing herein contained or as to any act, deed or omission of any party or as to any other matter in any way relating to this Agreement, or the rights, duties or liabilities of any arbitrator to be appointed under this Agreement shall first be dealt with under the issue escalation process set out in the Project Charter. If such disputes and questions are not resolved by the parties under such process, they shall then be referred to a single arbitrator to be unanimously agreed upon by the parties hereto, and in default of such agreement as to the appointment of a single arbitrator, the parties shall request that one of the justices of the Ontario Superior Court of Justice be appointed as single arbitrator. The arbitration shall be governed by the *Arbitration Act, 1991* (S.O. 1991, c.17), as amended from time to time, and either party shall have the right to appeal an award to the court on a question of law, a question of fact and/or on a question of mixed law and fact. The arbitration shall be confidential. The costs of the arbitration, including the arbitrator's fees and expenses shall be borne equally by the parties. Unless otherwise agreed by the parties, such arbitration shall be held in Toronto.

ARTICLE 11 – MISCELLANEOUS

11.1 Survival

For greater certainty, the following Articles of this Agreement shall survive the termination or expiry of this Agreement: Articles 1.10, 2, 3, 4, 5, 6, 7, 8, 9, 10 and 11 as well as those sections that by their nature are intended to survive the termination or expiry of this Agreement.

11.2 Number and Gender

Words importing the singular include the plural and vice versa; and words importing gender include all genders.

11.3 Headings

The Section headings contained herein are included solely for convenience, and are not intended to be full or accurate descriptions of the content thereof.

11.4 Assignment

This Agreement may not be assigned by Sponsor without the prior written consent of Infoway. Infoway shall be entitled to assign this Agreement to any of its affiliates without the prior written consent of Sponsor. The rights and obligations under this Agreement shall be binding upon, and enure to the benefit of the parties and their respective successors and permitted assigns.

11.5 Further Assurances

Each party shall do such acts and shall execute such further documents as the other party may in writing at any time and from time to time reasonably request in order to give full effect to the provisions of this Agreement.

11.6 Time is of the Essence

Time is of the essence in the performance of the obligations in this Agreement.

11.7 Currency

Unless otherwise indicated in a Statement of Work, all dollar amounts referred to in this Agreement are in Canadian funds.

11.8 Entire Agreement

This Agreement, including the Recitals, Definitions and the Schedules (including Statements of Work to be attached and to be made part of this Agreement from time to time), is the complete and exclusive agreement of the parties with respect to the subject matter hereof and supersedes all prior agreements, negotiations and representations, oral or written, between the parties with respect to the same.

11.9 Conflict or Inconsistency

In the event of a conflict or inconsistency in any provision in this Agreement, (a) the main body of the Agreement shall govern over the Schedules; and (b) this Agreement (including the Schedules) shall govern over any request for proposals made by Infoway or any proposals submitted by Sponsor with respect to the performance of the Services and its obligations relating to the Deliverable.

11.10 Severability, Waiver

If any provision of this Agreement is held to be invalid or unenforceable for any reason, the remaining provisions will continue in full force. The waiver by either party of a breach of any provision of this Agreement will not operate as a waiver of any other breach or provision. No delay or failure of Infoway or Sponsor to exercise any right or remedy will operate as a waiver, except where specifically provided in this Agreement to the contrary.

11.11 Independent Contractors

The parties to this Agreement are independent contractors, and not agents, partners, joint venturers or employees of one another.

11.12 Economic Sanctions

Sponsor shall not knowingly supply to Infoway any goods or services, which are subject to economic sanctions imposed by Canada or supply to Infoway any goods or services that originate, directly or indirectly, from any country which is subject to economic sanctions imposed by Canada.

11.13 Force Majeure

Neither party shall be liable for damages caused by delay or failure to perform its obligations under this Agreement where such delay or failure is caused by an event beyond its reasonable control. The parties agree that an event shall not be considered beyond one's reasonable control if a reasonable business person applying due diligence in the same or similar circumstances under the same or similar obligations as those contained in this Agreement would have put in place contingency plans to either materially mitigate or negate the effects of such event. Without limiting the generality of the foregoing, the parties agree that *force majeure* events shall include natural disasters and acts of war, insurrection and terrorism and threatened acts of terrorism but shall not include shortages or delays relating to supplies or services. If a party seeks to excuse itself from its obligations under this Agreement due to a *force majeure* event, that party shall immediately notify the other party of the delay or non-performance, the reason of such delay or non-performance and the anticipated period of delay or non-performance. If the anticipated or actual delay or non-performance exceeds ten (10) Business Days, the other party may immediately terminate this Agreement by giving written notice of termination, and such termination shall be in addition to the other rights and remedies of the terminating party under this Agreement, at law or in equity.

11.14 Duty to Disclose Change of Control

In the event that Sponsor undergoes a change in control, Sponsor shall immediately disclose such change in control to Infoway and shall comply with any terms and conditions subsequently prescribed by Infoway resulting from the said change.

11.15 Conflict of Interest

Sponsor shall not engage in any activity or provide any goods or services where such activity or the provision of such goods or services creates a conflict of interest (actually or potentially) with the performance of the Services and its obligations relating to the Deliverable pursuant to this Agreement. To the best of Sponsor's knowledge, no Infoway director, officer or employee (or their immediate family member) has an interest in this Agreement or in any transactions contemplated in this Agreement. Sponsor shall disclose to Infoway without delay any actual or potential situation as described above to Infoway and shall comply with any terms and conditions subsequently prescribed by Infoway, acting reasonably, resulting from such disclosure.

11.16 Public Communications

Except as required by applicable law, Infoway and the Sponsor shall obtain the other party's prior written consent before making any public communications (*e.g.* press release) related to the subject matter of this Agreement, the Project or any discussions between the parties related thereto, which consent shall not be unreasonably withheld or delayed.

11.17 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of Ontario and the federal laws of Canada applicable therein.

11.18 Amendment

Except as set out in Section 1.2, this Agreement may not be amended except by a written amending agreement executed by duly authorized officers of both parties.

11.19 Counterparts

This Agreement may be signed in counterparts and by electronic communication including by PDF or by original or facsimile signature, each of which shall be deemed to be an original and all of which together shall be deemed to constitute one and the same instrument.

IN WITNESS WHEREOF THE PARTIES HAVE EXECUTED THIS AGREEMENT AS OF THE EFFECTIVE DATE.

Middlesex London Health Unit

Per: _____
Name:
Title:

Per: _____
Name:
Title:

Date:

CANADA HEALTH INFOWAY INC.

Per: _____
Name: Michael Green
Title: Chief Executive Officer

Per: _____
Name: Denis Gauthier
Title: Chief Operating Officer

Date:

Note: Only Schedules which are relevant to this legal agreement are attached.

SCHEDULE "A"
PROJECT CHARTER

**Leveraging Panorama for Enhanced Interoperability Project Charter
Version 17 – March 2, 2016 (specifically Appendix C - PHU)**

Note: The complete Project Charter is available under project code HSON2.3

SCHEDULE "B"
ELIGIBLE COST GUIDELINES¹
(Document follows)



INVESTMENT PROJECT COST ELIGIBILITY GUIDELINES

General Guidelines	
ELIGIBLE COSTS	INELIGIBLE COSTS
<ul style="list-style-type: none"> ▪ Costs required for the project team to execute the project ▪ Solutions that are reusable / replicable ▪ Costs required to implement project-specific solutions 	<ul style="list-style-type: none"> ▪ Items precluded in <i>Infoway's</i> Funding Agreement (e.g. maintenance) ▪ Items that do not conform to the Infoway EHR Blueprint ▪ Items that do not conform to pan-Canadian EHR standards ▪ Items that are unique or proprietary to a single implementation ▪ Costs relating to clinical point of service applications /modalities ▪ Costs that will continue past the completion of the project

All project approvals and eligible/ineligible costs are subject to *Infoway's* governance approval process. Exceptions are handled on case-by-case basis and are subject to the same approval process

GENERAL COSTS	
<ul style="list-style-type: none"> ▪ Travel and out-of-pocket expenses for Project Team ▪ Rental expenses for project-related facilities and equipment ▪ Training (courses, seminars) for Project Team ▪ Non-recoverable portion of sales taxes paid on eligible costs 	<ul style="list-style-type: none"> ▪ Adoption incentives ▪ Financial expenses (e.g. interest expense) ▪ Maintenance costs ▪ Operations costs
HARDWARE AND SOFTWARE COSTS	
<ul style="list-style-type: none"> ▪ Domain specific application software ▪ EHR Solution Application Software ▪ EHR Viewer ▪ Installation and configuration ▪ Software required to integrate with Client and Provider Registries as well as with Privacy and Security services ▪ Operating Systems ▪ Servers (hardware) ▪ Servers (enabling, e.g. DBMS, Application, Web) ▪ Storage (up to projected use for 3 years) ▪ Telehealth Workstations/Medical Peripheral Devices (incl. videoconference systems for Telehealth) 	<ul style="list-style-type: none"> ▪ Backup (offline) ▪ Desktop Software ▪ Desktop Hardware ▪ Front-end Software (e.g. ADT software, LIS Systems, Patient Record Management software, or other software that is not specific to the program or solution) ▪ Generic Software ▪ IT/IS Infrastructure (data centre, UPS, generators, generic servers) ▪ Maintenance ▪ Network ▪ Peripherals ▪ Productivity tools (e.g. handheld, PDA, Blackberry, etc.) ▪ Solution application software, (where such solution has already been developed and is freely available) ▪ Utility Software ▪ Videoconference Systems (except Telehealth)
PROJECT TEAM/PROFESSIONAL SERVICES COSTS	
<ul style="list-style-type: none"> ▪ Analysis ▪ Benefits Evaluation ▪ Change Management ▪ Implementation ▪ Installation and Configuration ▪ Integration (incl. application-level connectivity related to Program-specific components) ▪ Integration with Client and Provider Registries as well as with Privacy and Security services ▪ Joint (multi-jurisdiction) Procurement ▪ Knowledge Management ▪ Planning ▪ Privacy Impact Assessment (PIA) ▪ Production of Deliverables ▪ Project Management ▪ Recruiting ▪ Testing ▪ Training the Trainer 	<ul style="list-style-type: none"> ▪ Custom Procurement (single jurisdiction procurement with no applicability to other jurisdictions) ▪ Executive Compensation ▪ Legal Services (other than relating to Joint Procurement, PIA, shared service agreements, and service level agreements) ▪ Maintenance ▪ Operations ▪ Project Governance / steering committee time and related expenses (except where S/C members are materially contributing to the creation of deliverables and execution of the scope of the project, such as the provision of subject matter expertise)

¹ Infoway has agreed that iPads (and supporting components) required as part of the Mobile Mass Immunization application are Eligible Costs.



INVESTMENT PROJECT COST ELIGIBILITY GUIDELINES

ELIGIBLE COSTS	INELIGIBLE COSTS
CONDITIONALLY ELIGIBLE COSTS – SPECIAL CASES	
<ul style="list-style-type: none"> ▪ Design and development or enhancement of a solution or its EHR infostructure integration (system to system integration within an infostructure) is eligible IF this leads to a reusable or replicable solution that addresses a material share of the Canadian market. IP rights need to be made available to others. 	<ul style="list-style-type: none"> ▪ POS Application Integration (i.e. connectivity to Points of Service applications) is eligible IF the following are true: a high degree of reuse potential exists; there is a large market base for the POS application interface; a commitment to pan-Canadian EHR standards exists; and <i>Infoway</i> retains the right to negotiate distribution rights.
OTHER NOTES	
<ul style="list-style-type: none"> ▪ Any other eligible costs must be mutually agreed to in writing by both parties 	<ul style="list-style-type: none"> ▪ Costs must be net of any discount, rebate, allowance, recoverable sales tax or similar provision that effectively decreases the actual cost

Public Health Surveillance	
Program specific eligible costs detail. To be used in conjunction with <i>Infoway</i> general guidelines.	
ELIGIBLE COSTS	INELIGIBLE COSTS
HARDWARE AND SOFTWARE COSTS	
<p>PAN-CANADIAN SOLUTION PROJECTS</p> <ul style="list-style-type: none"> One-time facility costs required to establish reference implementation of Pan-Canadian solution system. 	
<p>JURISDICTION PLANNING & IMPLEMENTATION PROJECTS</p> <ul style="list-style-type: none"> One-time license fees for pan-Canadian standards compliant Pan-Canadian surveillance solution components funded at 80%. HW/SW for Panorama funded at 50% for environments as per negotiated project agreement Acquisition of jurisdiction-specific components of the surveillance solution (jurisdiction portal, operational data repository, data warehouse and analytic tools) as per negotiated Project Agreement. 	<ul style="list-style-type: none"> Acquisition of surveillance components substituted for modules of the Pan-Canadian surveillance solution Out-of-scope surveillance systems (e.g., chronic disease, environmental health, etc.)
PROJECT TEAM/PROFESSIONAL SERVICES COSTS	
<p>PAN-CANADIAN SOLUTION PROJECTS</p> <ul style="list-style-type: none"> Pan-Canadian Surveillance solution-specific interface development Pan-Canadian Steering Committee travel and meeting expenses. Expenses related to Requirements Working Group, Design Working Group, and Integration Working Group travel and meetings 	<ul style="list-style-type: none"> Working Group member compensation
<p>JURISDICTION PLANNING & IMPLEMENTATION PROJECTS</p> <ul style="list-style-type: none"> One-time technical development costs (e.g. design, acquire, implement, test solution, documentation) for jurisdiction-specific tailoring of Pan-Canadian solution modules funded at 80%. Technical infrastructure costs (e.g. hardware and software application servers) and change management costs related to the project funded at 50%. Implementation, tailoring and interface development for jurisdiction-specific components of the surveillance solution (jurisdiction portal, operational data repository, data warehouse and analytic tools) as per negotiated Project Agreement. 	<ul style="list-style-type: none"> Development of surveillance components substituted for modules of the Pan-Canadian surveillance solution
PROJECT TEAM/PROFESSIONAL SERVICES COSTS	
<ul style="list-style-type: none"> Where multiple jurisdictions collaborate on a Phase 1 or 2 project, costs related to initial Phase 0 scoping project may be covered. 	

SCHEDULE "C"
STATEMENT OF WORK

Leveraging Panorama for Enhanced Interoperability Statement of Work
Version 12 – October 21st 2015 (specifically Appendix – PHU SOW)

Note: The complete Project Statement of Work is available by request under project code HSON2.3.

Statement of Work
Adoption of Panorama Extensions
(Ontario Public Health Units [PHUs])

Project Purpose

Panorama is a project of the MOHLTC that has laid the foundation for a comprehensive provincial immunization registry. The focus of the initial implementation of Panorama was on school-aged children.

To receive the additional benefit of the investment in the provincial immunization registry and to further ensure the accuracy of immunization data for clinical assessments, the registry should be expanded to include data collection, ideally at point of service, for the ages 0 to 6 and for adults.

The Leveraging Panorama for Enhanced Interoperability ("LEAP") Project will use a number of technological approaches towards achieving the goal of the repository containing all immunizations for all Ontarians. The LEAP project will improve data collection processes for Immunization of School Pupils Act ("ISPA") age category, expand data collection for age category 0 to 6 years and will provision for point of service (POS) data collection model for the remaining population. The intent of the project is to support data entry at the time of immunization administered or at a time so chosen by the public recipient of the service or by the health care professional providing the immunization service.

The LEAP project will create a base layer of technology that will provide controlled access for multiple applications envisioned to interact with the immunization repository. The base layer will address access and security controls and provide services such as an immunization record operational administrative tool to manage records submitted to the provincial immunization Repository.

Additionally, functions and client facing tools will be created by the LEAP project and made available to other Canadian provinces and to 3rd party organizations as open source reference implementations to integrate their solutions and products with provincial repositories. These applications include

- Web based applications for immunization data submission to the immunization repository
- Web based immunization record data retrieval tools providing information typically found on a Yellow Card and
- A client software solution providing immunization clinic functionality in a mode that supports both connected and disconnected access to the internet. Standardized bar coding will also be created for client information, client immunization records and for vaccines. The bar coding will support system to system interoperability, accuracy of data transfers and effective data management of immunization health records.
- In support of the technical development by 3rd parties, LEAP will provide and publish standards and specifications for Immunization Health Records (IHRs).

Public health units will be responsible for the adoption of the extension tools delivered as part of this project. The following lists the required deliverables for each PHU.

PHU CHANGE MANAGEMENT AND COMMUNICATIONS PLAN

ID	Deliverable	Description
PHU 1-36	PHU Change Management and Communications Plan	<p>The Change Management Plan deliverable will provide an overview of the strategies and activities planned to support implementation and user adoption of the Panorama web tool. Key components of this deliverable include:</p> <ul style="list-style-type: none"> • Change management overview within the project context • Approaches to integrating change management activities into the project implementation plan • Planned approaches to stakeholder engagement for both providers and patients – including recruitment and readiness assessments/analysis • Mechanisms for identifying and managing stakeholder resistance • To receive consumer feedback a System & Use Survey to be drafted by Infoway with PHU participation. The Survey will be hosted by Infoway. The PHUs will communicate the survey link to consumers. • Project communication activities and timelines • PHU support training and education activities and timelines • Identifying critical success factors for solution adoption • Identifying adoption risks and mitigation strategies
<p>Responsibility:</p> <ul style="list-style-type: none"> • PHU Sponsor team Project Manager 		
<p>Acceptance Criteria:</p> <ul style="list-style-type: none"> • Delivery of documentation – Change Management & Communications Plan • Validation of completeness and accuracy • Sign-off by responsible parties <p>Notes:</p> <ol style="list-style-type: none"> 1. It is acceptable that multiple PHUs collaborate to produce one Change Management Plan on behalf of other PHUs. 2. It is acceptable that multiple PHUs collaborate and designate 1-2 representatives to work with Infoway to create the System and Use Survey on behalf of other PHUs 		<p>Review and Approval:</p> <p>The Project:</p> <ul style="list-style-type: none"> • PHU Project Sponsor <p>MOHLTC:</p> <ul style="list-style-type: none"> • Director or Delegate <p>Infoway:</p> <ul style="list-style-type: none"> • Change & Evaluation Specialist, Ontario • Project Manager <p>Sign-off:</p> <p>The Project:</p> <ul style="list-style-type: none"> • PHU Project Sponsor or MOHLTC on behalf of Sponsor <p>Infoway:</p> <ul style="list-style-type: none"> • Executive Regional Director

PHU IMPLEMENTATION OF WEB FUNCTIONALITY

ID	Deliverable	Description
PHU 1-36	PHU Implementation of Web Functionality	<ul style="list-style-type: none"> • Customize application for PHU use in production using Mohawk College’s reference implementation including: <ul style="list-style-type: none"> ○ Provision of branding for graphical user interface ○ Administration functions (provision of OIID and PIN to consumers) ○ Configuration functions (Provision of Terms of Reference & AUP) ○ Audit functions (through PHIX) ○ Inclusion of ICON URL onto existing PHU website
Responsibility: <ul style="list-style-type: none"> • PHU Sponsor team Project Manager 		
Acceptance Criteria: Implementation <ul style="list-style-type: none"> • ICON appropriately skinned with PHUs branding • Public access to ICON through PHU website • Successful interface of data between ICON/PHIX/Panorama • Letter provided to MOHLTC from PHU stating deliverables completed. 		Review and Approval: The Project: <ul style="list-style-type: none"> • PHU Sponsor MOHLTC: <ul style="list-style-type: none"> • Architect • Director or Delegate Infoway: <ul style="list-style-type: none"> • Integration Architect • Regional Director - Architecture Sign-off: The Project: <ul style="list-style-type: none"> • PHU Project Sponsor or MOHLTC on behalf of Sponsor Infoway: <ul style="list-style-type: none"> • Executive Regional Director

PHU PUBLIC WEB SITE ADOPTION 50%

ID	Deliverable	Description
PHU 1-36	PHU Public Web Site – Adoption 50%	<ul style="list-style-type: none"> • Adoption targets for each PHU are based on the number of Immunization Records per year i.e. 2,500. The achievement of the adoption target is based on reaching 50% of the total target immunization record submissions via the website.
Responsibility: <ul style="list-style-type: none"> • PHU Sponsor team Project Manager 		
Acceptance Criteria: <ul style="list-style-type: none"> • Execute PHU Change Management & Communications Plan and provide evidence of communication tools/materials. • Provide quarterly tracking reports after deployment to MOHLTC that will include the # of record submissions and # views per month until 50% target attained. MOHLTC will submit the consolidated adoption report to Infoway. • Receive a total of 1,250 immunization record submissions via the PHU websites representing 50% of the annual immunization submissions through this channel. 		Review and Approval: The Project: <ul style="list-style-type: none"> • PHU Sponsor MOHLTC: <ul style="list-style-type: none"> • Director or Delegate Infoway: <ul style="list-style-type: none"> • Change & Evaluation Specialist, Ontario • Project Manager Sign-off:

<ul style="list-style-type: none"> Letter provided to CHI from MOHLTC stating deliverables completed. 	<p>The Project:</p> <ul style="list-style-type: none"> PHU Project Sponsor or MOHLTC on behalf of Sponsor <p>Infoway:</p> <ul style="list-style-type: none"> Executive Regional Director
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PHU PUBLIC WEB SITE ADOPTION 80%

ID	Deliverable	Description
PHU 1-36	PHU Public Web Site – Adoption 80%	<ul style="list-style-type: none"> Adoption targets for each PHU are based on the number of Immunization Records per year i.e. 2,500. The achievement of the adoption target is based on reaching 80% of the total target immunization record submissions via the website. Sponsor (PHU) distribution of survey link to consumer users
<p>Responsibility:</p> <ul style="list-style-type: none"> PHU Sponsor team Project Manager 		
<p>Acceptance Criteria:</p> <ul style="list-style-type: none"> Execute PHU Communications & Change Management Plan and provide evidence of communication tools/materials. Infoway confirmation that it has received 100 responses (cumulative total for all PHUs involved with LEAP project) to the System and Use Survey. Provide quarterly tracking reports after deployment to MOHLTC that will include the # of record submissions and # views per month until 80% target attained. MOHLTC will submit the consolidated adoption report to Infoway. Receive a Total of 2,000 immunization record submissions via the website representing 80% of the annual immunization submissions through this channel. Letter provided to CHI from MOHLTC stating deliverables completed. 		<p>Review and Approval:</p> <p>The Project:</p> <ul style="list-style-type: none"> PHU Sponsor <p>MOHLTC:</p> <ul style="list-style-type: none"> Director or Delegate <p>Infoway:</p> <ul style="list-style-type: none"> Change & Evaluation Specialist, Ontario Project Manager <p>Sign-off:</p> <p>The Project:</p> <ul style="list-style-type: none"> PHU Project Sponsor or MOHLTC on behalf of Sponsor <p>Infoway:</p> <ul style="list-style-type: none"> Executive Regional Director

SCHEDULE “D”

NOTICE
Project Managers

Name: Janice Johnston
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Delivery of Notices

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Site Contacts

Marlene Price
Vaccine Preventable Diseases Manager
marlene.price@mlhu.on.ca

SCHEDULE "E"

[TO BE PRINTED ON SPONSOR'S LETTERHEAD]

INVOICE

[INSERT DATE HERE]

To: Canada Health Infoway Inc./Inforoute Sante du Canada Inc. Payable to: [Insert to whom cheque/EFT is to be addressed]
 1000 Sherbrooke Street West, Suite 1200 [Insert mailing address]
 Montreal, QC, H3A 3G4 [Insert Contact name and title]
 Attention: corporatefinance@infoway-inforoute.ca [Insert Contact phone # and email]

Re: Agreement between Canada Health Infoway Inc. and [Sponsor], having an Effective Date of March 1, 2014, as amended from time to time, if applicable, ("the Agreement") having reference number: HSON2.3.

REIMBURSEMENT OF THE FOLLOWING ELIGIBLE COSTS INCURRED FOR THE PERIOD STARTING ON [Insert Date] UP TO AND INCLUDING [Insert Date].

(A) DESCRIPTION OF DELIVERABLE OR SERVICE AS PER LEGAL AGREEMENT

REIMBURSEMENT SCHEDULE	Total Eligible Cost for Work Product per Sch. B	Total Sponsor/ In-kind cost (50%)	Infoway's Portion (50%)
PHU Change Mgmt & Comm Plan	\$ 32,106.00	\$ 16,053.00	\$ 16,053.00
PHU Implementation of Web Functionality	\$ 32,106.00	\$ 16,053.00	\$ 16,053.00
PHU Public Web Site Adoption 50%	\$ 32,106.00	\$ 16,053.00	\$ 16,053.00
PHU Public Web Site Adoption 80%	\$ 32,106.00	\$ 16,053.00	\$ 16,053.00
Project Total Eligible Costs	\$ 128,424.00	\$ 64,212.00	\$ 64,212.00

(B) ACTUAL AMOUNT OF ELIGIBLE COSTS INCURRED FOR ABOVE DELIVERABLES

COST SUMMARY	Total Sponsor \$ out of pocket	Total In-kind cost	Total Submitted Eligible Costs	Infoway's Portion (50%)
Internal Resources			\$ -	
External Resources			\$ -	
Hardware			\$ -	
Other (please specify)			\$ -	
Total Eligible Costs Incurred	\$ -	\$ -	\$ -	\$ -

(C) MAXIMUM ELIGIBLE COSTS REIMBURSABLE TO SPONSOR FOR THIS PROJECT [LOWEST OF (A) or (B)] **\$ -**

(D) GST/HST PAYABLE BY INFOWAY ON (C) (IF APPLICABLE) **\$ -**

(E) TOTAL AMOUNT OWING BY INFOWAY [(C) + (D)] **\$ -**

GST/HST REGISTRATION NUMBER

PROVINCIAL SALES TAX REGISTRATION NUMBER (IF APPLICABLE)

NOTE:

TERMS OF PAYMENT OF THIS INVOICE ARE AS SET FORTH IN THE AGREEMENT. ALL TERMS USED IN THIS INVOICE BUT NOT DEFINED HEREIN SHALL HAVE THE MEANINGS GIVEN TO THEM IN THE AGREEMENT. SPONSOR MUST VERIFY WHETHER THE PROVINCIAL SALES TAX MUST BE CALCULATED ON THE TOTAL OF (C). [THE SPONSOR IS SOLELY RESPONSIBLE FOR THE CONSEQUENCES FLOWING FROM SUCH DETERMINATION.]

CERTIFICATION AND REPRESENTATION OF COMPLIANCE

We, duly authorized senior officers of [INSERT SPONSOR'S LEGAL NAME] "Sponsor", confirm and warrant that all applicable requirements under the legal agreement entered into between Sponsor and Canada Health Infoway Inc. (dated or having an effective date of) March 1 2014 with respect to the Deliverables or Services as specified in the Statement of Work have been observed, and that all costs specified in this Invoice are Eligible Costs as defined therein and have been properly incurred and paid by Sponsor.

[Legal name of SPONSOR]

Per: _____
 Name: [insert name]
 Title: [insert title of Senior Financial Officer]
 Date: _____

Per: _____
 Name: [insert name]
 Title: [insert title of Senior Project Officer]
 Date: _____

SCHEDULE “F”

In-Kind Eligible Project Expenses for purposes of this Agreement are subject to the following:

- In-Kind Eligible Project Expenses are contributions made by Sponsor (either directly or by a third party) that have a measurable value but do not involve the outlay of cash by Sponsor. Examples could include volunteer resource time to prepare deliverables, and donations of goods, services or cash by third parties in favour of Sponsor.
- In-Kind Eligible Project Expenses (whether originating from Sponsor or a third party) can only contribute to Sponsor’s portion of the project budget, not to the portion reimbursable by Infoway. The reimbursable portion of the project budget cannot include any costs not paid for by Sponsor. Accordingly, a project 100% funded by Infoway cannot include any in-kind contributions.
- Where Sponsor has received goods or services from the Government of Canada (either in-kind or paid for), the value of these goods or services cannot be included in the portion of the project budget reimbursable by Infoway. Such goods or services, if eligible in nature, may be included in the portion of the project budget contributed by Sponsor.
- Eligible expenses such as the cost of Sponsor’s employees’ time spent on the project or Sponsor’s occupancy costs for the project teamwork space are not considered in-kind contributions since they do entail a cash outlay by Sponsor. Such costs would be normal eligible expenditures included in the portion of the project budget reimbursable by Infoway.
- In-kind contributions provided directly or indirectly by Infoway or its representatives will not be considered for inclusion in Sponsor’s portion of the project budget.
- Before a project is submitted for Infoway approval, Sponsor should provide a schedule of any in-kind expenses planned for inclusion in Sponsor’s portion of the project budget. It is recommended that the schedule include at least the following:
 - A brief description of the in-kind contributions by type, provider (including any third parties) and the estimated value (which should be auditable)
 - In-kind contributions of resource time should be mapped to the project deliverables these resources will help to produce
 - In-kind resource rates should reflect a reasonable market value, not to exceed Infoway’s per diem rate caps for contractors/consultants or participants on Infoway-sponsored panels
- Before the project is approved, Infoway will assess the cost eligibility of the proposed in-kind contributions. The resulting assessment will be documented by Infoway, agreed to in writing by Sponsor and included in the Project Charter. .
- The in-kind contributions schedule should be included in the Project Charter and referenced in the Project Agreement. If any in-kind contributions will be provided by a third party, these should be disclosed in the Project Charter along with the identity of the third party(ies), a description of such party(ies)’ role in the project, the deliverable(s) to which they will contribute, the nature of the contribution and its estimated value. Third party contributions of cash are not required to be mapped to project deliverables.
- Where in-kind contributions represent all or most of Sponsor’s share of eligible project costs, the level of actual in-kind contributions will be monitored during the project’s execution, to maintain the funding ratio contained in the project legal agreement. Accordingly, each reimbursement claim submitted by Sponsor must (unless otherwise agreed by Infoway) be accompanied by an updated in-kind contributions schedule reflecting in-kind contributions made to date.

- Costs (whether in-kind or paid for) that were incurred by Sponsor prior to the effective date of the project legal agreement are not eligible for inclusion in either Sponsor's portion of the project budget or the portion reimbursable by Infoway.
- The In-kind Eligible Project Expenses Guidelines will be used in conjunction with Infoway's Investment Project Cost Eligibility Guidelines.
- Exceptions to these In-kind Eligible Project Expenses Guidelines will be considered on a case-by-case basis by Infoway management and any resulting decisions accepted by Infoway and Sponsor shall be documented in writing.



TO: Chair and Members of the Finance & Facilities Committee

FROM: Christopher Mackie, Medical Officer of Health

DATE: 2017 September 7

HEALTH UNIT CONTRIBUTION TO LONDON'S HEALTHY KIDS COMMUNITY CHALLENGE (HKCC) SUGARY DRINK CAMPAIGN

Recommendation

It is recommended that the Finance & Facilities Committee receive Report No. 032-17FFC re: Health Unit Contribution to London's Healthy Kids Community Challenge (HKCC) Sugary Drink Campaign for information.

Key Points

- Sugary drinks are the single-largest source of sugar in our diets.
- Public education about the health risks associated with sugary drinks is required to reinforce that sugary drinks should only be consumed sparingly, and that water is the best choice for health and hydration.
- The Health Unit received \$15,000 from the City of London's Child and Youth Network's HKCC fund to implement a city-wide communication campaign, which will be in market by mid-September.
- The additional \$15,000 contribution from the Health Unit's budget would increase campaign reach and message saturation, and would enable the placement of ads in Middlesex County.

The Need to Counter Industry Marketing of Sugary Drinks

Brand logos and product advertisements are positively associated with consumers' purchasing decisions, specifically of unhealthy foods and drinks. The Heart and Stroke Foundation of Canada's [2017 Report on the Health of Canadians](#) takes aim at the food and beverage industry for marketing directly to children and youth, and shows how industry marketing reaches them in the home, at school, on the street, online and in recreational centres. The most accessible and heavily marketed choices are often energy-dense, nutrient-poor processed foods and sugary drinks, including soft drinks, energy drinks and sports drinks. According to the report, "parents are doing the best job they can but our environment makes it hard." Sugary drinks are the single-largest source of sugar in our diets.

Increasing Public Awareness of Health Impacts from Sugary Drinks

The Health Unit's survey results from the City of London Beverage Vending Review and the community dialogue around sugary drinks over the last eight months have highlighted the need for greater public awareness regarding the public health concerns associated with consumption and marketing of sugary drinks. The Health Unit received \$15,000 from the HKCC fund, from the City of London's Child and Youth Network, to implement a public education campaign in London to reinforce the fact that sugary drinks should only be consumed sparingly and that water is the best choice for hydration and health.

Opportunity to Increase Campaign Reach and Message Saturation

To promote this important public health message, campaign materials currently under development will be in market in London by mid-September. An additional \$15,000 from the Health Unit's budget would enable the Health Unit to maximize the use of campaign graphics across the City of London and extend campaign reach into Middlesex County. By matching the funding received from the HKCC fund from the City of London's Child and Youth Network, the communication campaign plan could be enhanced to ensure that all families within the Middlesex-London jurisdiction receive a consistent public health message that sugar-sweetened beverages are the single largest contributor of sugar to children's diets, and that excessive sugar intake negatively impacts physical and mental health, cognitive function and sleep patterns. The increased funding would enable the Health Unit to add additional communication campaign mediums and channels within the existing communication plan, increasing overall campaign reach and message saturation.

Funding the Health Unit Contribution

The additional funding of \$15,000 will be included in the Q3 Financial Update to the Finance & Facilities Committee (FFC). However, because the campaign will be in market by mid-September, staff wanted to make members of the Committee aware of the reallocation prior to the Q3 Financial Update schedule to be received at the FFC meeting in November. The Q2 Financial Update identified \$666,140 in anticipated savings so far in 2017 as reported in Board of Health [Report No. 42-17](#). A number of unanticipated changes have occurred since this report which will make this reallocation possible and still meet the break-even position by year's end.

Conclusion

Additional positive variances have occurred since the Q2 Financial Update. Staff plan to reallocate \$15,000 of additional variance to match funding from the City of London's Child and Youth Network's HKCC fund to increase campaign reach and message saturation across Middlesex-London. This reallocation will be included in the Q3 Financial Update planned for the November 2nd FFC meeting.

This report was prepared by the Chronic Disease Prevention and Tobacco Control Team, Healthy Living Division, and the Finance Team, Corporate Services.



Christopher Mackie, MD, MHSc, CCFP, FRCPC
Medical Officer of Health