

# Annual Report



January 1 to  
December 31, 2023

# 2023

# Trust

# Integrity

# Transparency



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# Mot de l'inspectrice générale

# Mot de l'inspectrice générale



## FIÈRE D'AVOIR PORTÉ LE FLAMBEAU DANS LA LUTTE POUR L'INTÉGRITÉ PUBLIQUE

Pour la toute première fois, je me permets d'écrire au « je » puisqu'il s'agit de mon dernier mot à titre d'inspectrice générale de la Ville de Montréal, poste que j'occupe depuis près de six années.

En avril 2017, M<sup>e</sup> Denis Gallant m'a nommée inspectrice générale adjointe en titre à son bureau et, en juillet 2018, on m'a d'abord confié sa direction par intérim. Le tout premier inspecteur général du Canada m'avait alors légué une équipe engagée à faire de Montréal une métropole exemplaire en matière d'intégrité contractuelle. Et je l'en remercie.

Lors de ma nomination à titre d'inspectrice générale, je m'étais portée garante de faire du BIG une organisation respectée et une référence en matière d'intégrité contractuelle, notamment aux yeux de la population montréalaise, contributrice à la réalisation de milliards de dollars de contrats municipaux. Je peux affirmer aujourd'hui que j'ai accompli ma mission. Même si pour y parvenir, j'ai dû traverser une pandémie avec un bureau en télétravail, maintenir (ou parfois stimuler) l'intérêt public pour la lutte pour l'intégrité contractuelle, et défendre certains de nos rapports publics devant les tribunaux.

Tout au long de mon mandat, et en collaboration avec mon équipe, j'ai continué à tout mettre en œuvre pour protéger l'identité des personnes qui ont le courage de signaler des manquements, que ce soit lors d'un appel d'offres ou dans l'exécution d'un contrat municipal. Je constate à ce sujet que de plus en plus de fonctionnaires municipaux lèvent le drapeau rouge lorsqu'ils sont témoins d'une situation allant à l'encontre du cadre normatif. Cette vigilance trouve en partie sa source dans notre programme de formation, dont l'offre élargie permet le partage des meilleures pratiques afin de maximiser la concurrence et l'ouverture des marchés.

Par ailleurs, le BIG a fait preuve de proactivité dans la surveillance des processus de passation et d'exécution des contrats par la Ville de Montréal et ses sociétés liées. À cet effet, mon bureau effectue, depuis deux ans, une vigie rigoureuse dans le système électronique d'appels d'offres (SEAO). En tant qu'inspectrice générale, j'ai toujours été profondément motivée par la volonté d'agir à proximité de l'exécution même du contrat. Notre programme de surveillance des chantiers en est un exemple éloquent. Cette activité, qui va au-delà de notre rôle parfois répressif, permet d'établir



une collaboration durable et un partage utile d'informations. La surveillance des chantiers à l'été 2023 ne fait pas exception. Nous avons pu contribuer à l'élaboration d'un plan de gestion des sols contaminés innovateur et souhaitons poursuivre vers un plan de gestion exemplaire des matières résiduelles laissées sur ces chantiers.

Une initiative entreprise depuis mon arrivée à la tête du BIG consiste à actualiser le portrait d'un secteur ayant fait l'objet d'un rapport public, comme ce fut le cas, par exemple, pour l'industrie du remorquage où nous avons noté que les recommandations formulées à l'époque ont été prises en compte avec succès. Nous sommes à finaliser notre étude sur l'industrie des trottoirs. Sans en dévoiler les conclusions, force est d'admettre que nous nous devons de maintenir notre présence dans ce secteur.

Depuis la création du BIG, mon prédécesseur et moi-même avons définitivement fait la démonstration que la lutte pour l'intégrité contractuelle est un travail constant et essentiel au maintien de la confiance de la population montréalaise dans son administration publique.

Ce fut un plaisir et surtout un privilège d'occuper la fonction d'inspectrice générale de la Ville de Montréal, le deuxième plus grand donneur de contrats publics au Québec. En regardant le bilan de tout ce que nous avons accompli, je suis fière de mon bureau et profondément reconnaissante d'avoir eu l'opportunité de le représenter. Je tiens à remercier chaque membre du BIG. Il n'est pas toujours donné de rencontrer des collègues aussi dévoués et dignes de confiance. J'ai pour vous toutes et tous le plus grand des respects.

Je remercie également les membres de la Commission permanente de l'inspecteur général de la Ville de Montréal de leur dévouement.

C'est avec le sentiment du devoir accompli que je cède ma place à mon ou ma successeur.e. J'ai la conviction que doté d'une équipe si compétente et engagée ainsi qu'avec la collaboration de nos nombreux partenaires, le BIG poursuivra avec pertinence sa lutte pour l'intégrité publique au sein de la Ville de Montréal.

Votre inspectrice générale,

M<sup>e</sup> Brigitte Bishop

ORIGINAL SIGNÉ



# Message from the inspector general

# Message from the Inspector General



## PROUD TO HAVE CARRIED THE TORCH IN THE FIGHT FOR PUBLIC INTEGRITY

For the very first time, I am taking the liberty of writing at the first person, since this is my last message as Inspector General of Ville de Montréal, a position I have held for nearly six (6) years.

In April 2017, Denis Gallant appointed me as First Deputy Inspector General in his office, and in July 2018, I was appointed Acting Inspector General. Canada's very first Inspector General left me with a team committed to making Montréal a city with exemplary contract integrity. And I thank him for that.

When I was appointed Inspector General, I pledged to make the Office of the Inspector General (OIG) a respected organization and a benchmark for contractual integrity, particularly in the eyes of the people of Montréal, who contribute billions of dollars to municipal contracts. Today, I'm proud to say I have accomplished my mission. To get there, I had to get through a pandemic while the whole office was teleworking, sustain (or sometimes spark) public interest in fighting for contractual integrity and defend some of our public reports before the courts.

Throughout my tenure, and in collaboration with my team, I have continued to do everything in my power to protect the identity of people who have the courage to report breaches, whether in a call for tenders or the execution of a municipal contract. In that regard, I have noticed that more and more municipal officials are raising the red flag when they see a situation that contravenes the regulatory framework. Part of this vigilance stems from our training program, whose expanded scope allows us to share best practices to maximize competition and market openness.

Furthermore, the OIG has been proactive in monitoring the contract awarding and execution processes by Ville de Montréal and its paramunicipal agencies. My office has been rigorously monitoring the Electronic Tendering System (SEAO) for the past two years. As Inspector General, I have always been driven by the desire to maintain a line of sight on the actual execution of a contract. Our work site monitoring program is a prime example of that. The program goes beyond our sometimes repressive role and helps establish lasting collaborations and useful information sharing. Work site monitoring in

summer 2023 was no exception. We helped develop an innovative contaminated soil management plan and hope to keep working towards an exemplary management plan for residual materials left behind at these work sites.

One initiative we've been undertaking since my arrival as head of the OIG is to update the profiles of sectors subject to a public report, as was the case for the towing industry, for example, where we now see that the recommendations made at the time have been successfully implemented. We are currently finalizing our review of the sidewalk industry. Without revealing the conclusions, it's clear that we must maintain our presence in that sector.

Since the OIG was created, my predecessor and I have definitively shown that the fight for contractual integrity is a constant and crucial task in making sure Montrealers continue to have confidence in their public administration.

It has been a pleasure and a privilege to serve as Inspector General of Ville de Montréal, the second-largest provider of public contracts in Quebec. As I look back on everything we have accomplished, I am proud of my office and deeply grateful for the opportunity to represent it. I would like to thank each and every member of the OIG. It's not every day you get to work with such dedicated and trustworthy colleagues. I have the utmost respect for all of you.

I would also like to thank the members of the Permanent Commission of the Inspector General of the Ville de Montréal for their dedication.

It is with a sense of accomplishment that I pass the torch to my successor. I am confident that with such a capable and committed team, and the collaboration of our many partners, the OIG will continue its fight for public integrity in Ville de Montréal.

Your Inspector General,

Brigitte Bishop

ORIGINAL SIGNED



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# Glossary

AMP	Autorité des marchés publics
ARAMP	Act Respecting the Autorité des marchés publics
City	City of Montréal
CTA	Cities and Towns Act
MELCCFP	Ministère de l'Environnement, de la Lutte contre les changements climatiques, de la Faune et des Parcs
NPO	Non-Profit Organization
<i>Contrôleur général</i>	Comptroller General of Ville de Montréal
OIG	Office of Inspector General of Ville de Montréal
OMHM	Office municipal d'habitation de Montréal
SCIG	Standing Committee on the Inspector General of Ville de Montréal
SEAO	Electronic Tendering System
SPJD	Société du parc Jean-Drapeau
STM	Société de transport de Montréal
UPAC	Unité permanente anticorruption



Presentation of  
the office of  
inspector general

01



## Our mandate

Under the *Charter of Ville de Montréal, metropolis of Québec*, the Inspector General's mandate is to:

**Oversee** the awarding and performance of contracts by Ville de Montréal or legal persons governed by the Act<sup>1</sup>

**Recommend** to City Council:

- » Any measures aimed at preventing a breach of integrity in the awarding of contracts by Ville de Montréal or their performance
- » Any measures designed to promote compliance with the applicable legal provisions and Ville de Montréal's requirements regarding contract award or performance

**Verify** the implementation of recommendations adopted by any council within Ville de Montréal

**Train** councillors and City employees to recognize and prevent any breach of integrity or violation of applicable rules regarding the awarding and performance of municipal contracts.

## Our jurisdiction

The Inspector General acts on all contracts awarded by City Council, the Agglomeration Council and each borough, with the exception of contracts awarded by reconstituted municipalities.

**She has jurisdiction over:**

- » Ville de Montréal
- » City employees
- » Elected officials and members of their offices
- » Selection committee members
- » Legal persons associated with Ville de Montréal, such as Société de transport de Montréal, Société d'habitation et de développement de Montréal, Société du parc Jean-Drapeau, Agence de mobilité durable and Office municipal d'habitation de Montréal
- » Persons in a contractual relation with Ville de Montréal and subcontractors



<sup>1</sup> The legal persons involved are specified in Subparagraph 1 of the fifth paragraph of Section 57.1.9.



## Our values

**TRUST:** Preserve the public's trust in municipal public institutions with respect to contracting.

**INTEGRITY:** Ensure the integrity of the contracting process.

**TRANSPARENCY:** Improve the transparency of municipal activities and decisions by shedding light on certain issues and bringing forward recommendations or other courses of action.

## Our powers

### Power to request information and documents

The Inspector General is entitled to examine any books, registers or records to obtain any information relevant to her mandate.

### Power to inspect

The Inspector General may, at any reasonable hour, enter any premises to examine any books, registers or records. The Inspector General may require the owner, occupant and any other person on the premises visited to give her reasonable assistance.

The Inspector General may also use any computers, equipment or other items on the premises to access data relevant to her mandate or to inspect, examine, process, copy or print out such data.

### Power to cancel, rescind and suspend

The Inspector General may cancel, rescind or suspend any contracting process involving a contract of the City or any related legal person, if the following conditions are met:

- » One or more requirements specified in the tender or contract documents have not been met, or incorrect information was provided during the contracting process.
- » The seriousness of the breach observed justifies the cancellation, rescinding or suspension.

### Power to make recommendations

The Inspector General may, at any time, send City Council or any other City decision-making bodies a report presenting findings or recommendations.

## Delegation of powers

All members of the OIG involved in investigations have been delegated powers by the Inspector General under Section 57.1.19 of the *Charter of Ville de Montréal, metropolis of Québec*.

Therefore, they can meet with or contact employees, elected officials, members of selection committees or boards of directors, bidders, and anyone who is bound by contract to Ville de Montréal and any legal person related to it.

Only the Acting Deputy Inspector General holds delegation of power to cancel a call for tenders, rescind a contract or suspend the carrying out of a contract under Section 57.1.19 of the *Charter of Ville de Montréal, metropolis of Québec*.

## Guarantees of independence

The Inspector General carries out her work independently. No one can influence her investigations, decisions or recommendation reports.

The Inspector General is committed to producing reports that are timely, objective, accurate and free of conflicts of interest. They are presented in such a way that the individuals and organizations under her jurisdiction can act on the information provided.

The Inspector General self imposed the civil standard of preponderance of evidence as a standard in her public reports. This standard is used by civil courts and carries a

reasonable degree of probability (Article 2804 of the *Civil Code of Québec*).

The Inspector General reports directly to City Council; however, there is no relationship of subordination between City Council and the Inspector General. Neither the Mayor nor the City manager has any authority over the Inspector General.

The Inspector General is appointed for a five-year, non-renewable mandate. Her budget is set by law at a fixed percentage (0.11%) of the Ville de Montréal operating budget. The OIG cannot be subjected to budget cuts that could affect its activities and operations.

### Duty to protect the identity of whistleblowers

Denunciations and complaints submitted to the OIG are treated in a confidential, objective and impartial manner. The Inspector General has a duty and an obligation to take all necessary measures to preserve the anonymity of anyone who makes a denunciation in the course of her investigations and publications.

Section 57.1.15 of the *Charter of Ville de Montréal, metropolis of Québec* prohibits reprisals and threats against whistleblowers and provides for heavy fines if these rules are violated.

Anyone wishing to report wrongdoing or file a complaint relating to a contract can do so using the encrypted denunciation form available on the OIG website, or by phone or email. The OIG also manages the ethics hotline. All denunciations from that line are transferred to the Comptroller General of Ville de Montréal.



## Standing Committee on the Inspector General (SCIG)

Like all Ville de Montréal standing committees, the SCIG's mission is to help City Council make informed decisions.

When a public report from the OIG is filed with authorities, City Council forwards it to the SCIG for review and to obtain

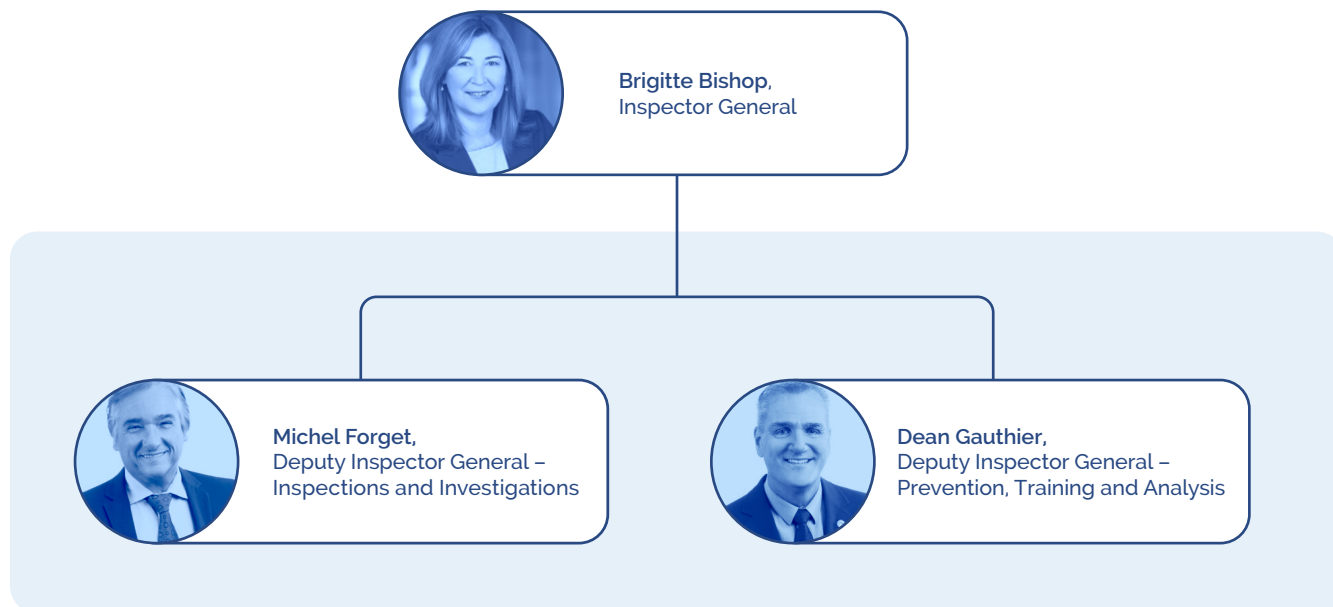
an opinion on the recommendations made by the Inspector General. The SCIG's recommendations report is submitted to City Council and, where applicable, to the Agglomeration Council. The Executive Committee is responsible for accepting or rejecting the recommendations.



Our  
organization

02

## Executive Committee



## Teams

The OIG relies on four teams working together to optimize the whistleblowing process and completing investigations with a focus on efficiency, integrity and professionalism. Our colleagues Luc Lamy, Anick Chartrand and Suzanne Corbeil retired in 2023.

### Management team

As part of her administrative management, the Inspector General relied on communications officer Linda Boutin, administrative support officer Marie-Josée Bourassa, executive secretary Chantal Poirier and office application development technician Wilson Victoria.

### Preliminary Investigation, Prevention and Training team

The primary role of this team is to receive denunciations, analyze their content, keep relevant information and build cases. The team carries out the initial validation steps and takes action, where possible, early on in the contracting process to avoid problematic situations or correct any deficiencies. This team is also in charge of training and preventive interventions for

project owners under its jurisdiction, as well as for partners and other interested organizations.

In 2023, the team consisted of Deputy Inspector General Dean Gauthier, planning advisors Alexandre Pelletier-Chevrier, Simon Da Silva, Julie Demers, Antoinette Khabbaz and Marie Vanbremeersch, research officers Christine Herbreteau, Méline Ayola Blonvia and Julie Lefebvre, as well as procurement advisor and training program manager Benjamin Charruyer. Kevin Revel, held the position of administrative officer until Ioana Pescarasu returned from maternity leave.

### Inspection and Investigation team

More complex cases requiring complementary research and investigation are referred to the Inspection and Investigation team, which monitors, inspects, conducts verifications, interviews and gathers relevant documentation. This field work enables the team to corroborate the information gathered and issue findings and reach conclusions on the contractual breaches observed.



The team is made up of Deputy Inspector General Michel Forget and inspection and investigation officers Martin Benoit, Nancy Boulerice, Félix D'Amours, Marianne Dorlot, Michel Hamelin, Glenn Lapointe, Nathalie Lamond, Luc Lamy, Robert Lebrun, Éric Parent, Marco Roy and Marie-Claude Touchette, as well as office agent Jean-Pierre Vigneux. In summer 2023, Jean-François Laguë joined the team as a municipal engineering intern.

### **Legal Affairs team**

The legal affairs team provides support to the investigation, analysis and preliminary investigations teams, as well as monitoring and training. Once an investigation has concluded, the legal team analyzes it and, where applicable, participates in the various steps leading up to the submission of a public report to City Council. Provided that a public report is challenged, it liaises with the external legal teams that represent the Inspector General before the various legal bodies. In 2023, this team comprised of Guillaume Crête, Laurie Desjardins and Simon Laliberté. Colin Braziller articulated with the team in 2023.



Our  
results

03

# 2023 in numbers

Authorized human resources:

34

Budget resources used:

\$6.9 million

## Activities



177

denunciations received

101

files opened

80

files closed

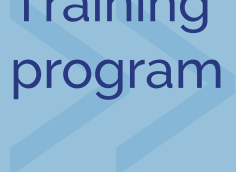
19

denunciations followed by an intervention during the posting of a call for tenders

42%

of denunciations were from bidders, suppliers and subcontractors

## Training program



3,255

participants

105

training sessions

## Publications



2

prevention newsletters

1

annual report

1

mid-year report

1

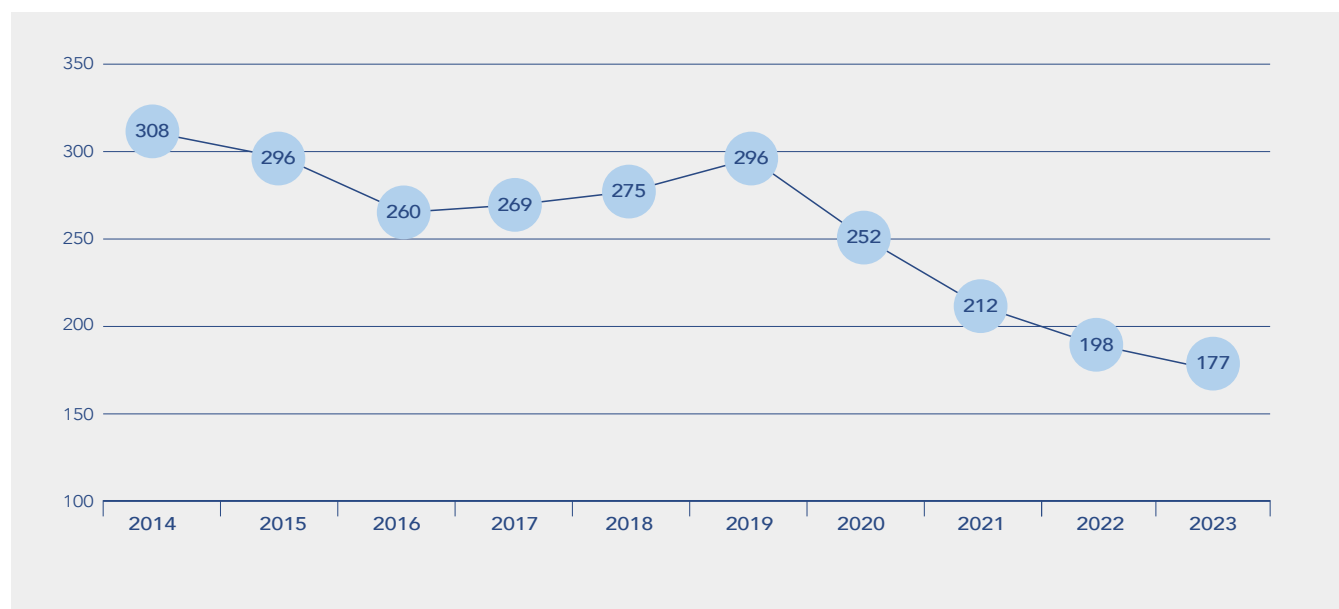
public report

## Whistleblowing statistics

From January 1 to December 31, 2023, the OIG received 177 denunciations, compared with 198 in 2022 and 212 in 2021.

The variation in the number of denunciations received annually since the creation of the OIG is illustrated in the graph below. The volume decreased slightly when compared to 2022, continuing a trend that has been observed since 2019.

### YEARLY NUMBER OF DENUNCIATIONS RECEIVED SINCE THE CREATION OF THE OIG (FEBRUARY 24, 2014)



## Denunciation sources and reporting methods

The following two graphs provide detailed statistics on the sources and reporting methods for the 177 denunciations received in 2023. There is a progression in terms of the source and reporting method:

- » The percentage of denunciations from Ville de Montréal personnel and related organizations remained stable. It represents 24% of the OIG's denunciations.
- » Denunciations from the general public increased slightly from 14% in 2022 to 20% in 2023.
- » The biggest increase was among bidders, suppliers and subcontractors. This group alone accounted for 42% of denunciations.

Denunciations from Ville de Montréal personnel maintained the rising trend seen in 2022. Training sessions and meetings

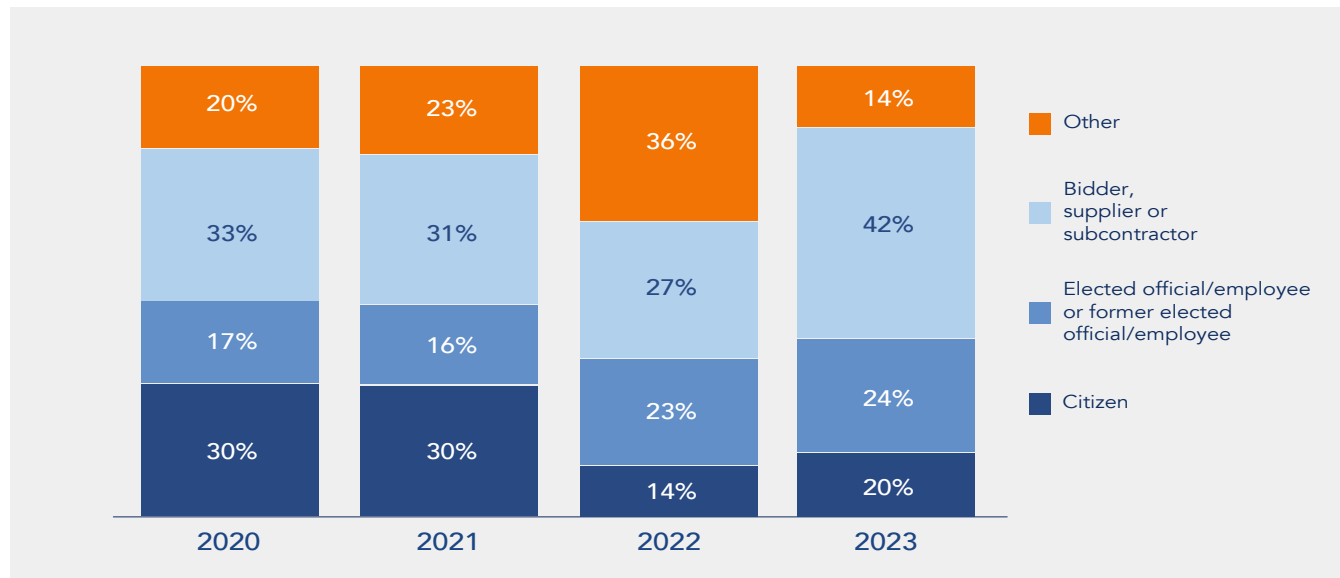
with business units continue to be critical levers for publicizing and understanding the role and mission of the OIG.

Bidders, suppliers and subcontractors were the source of a majority of the 2023 denunciations. Another factor that may be contributing to the denunciation of contractual irregularities is the presence of the OIG alongside contractors during worksite surveillance operations, increasing the sharing of information and intelligence.

Denunciations by the public, although slightly up from 2022, continue to be under-represented. This raises the question of the accessibility and visibility of the OIG via different platforms. The OIG will have to find ways to make those platforms more intuitive and accessible. The Inspector General commends the vigilance of whistleblowers. She encourages anyone witnessing an issue relating to contractual integrity to report it.



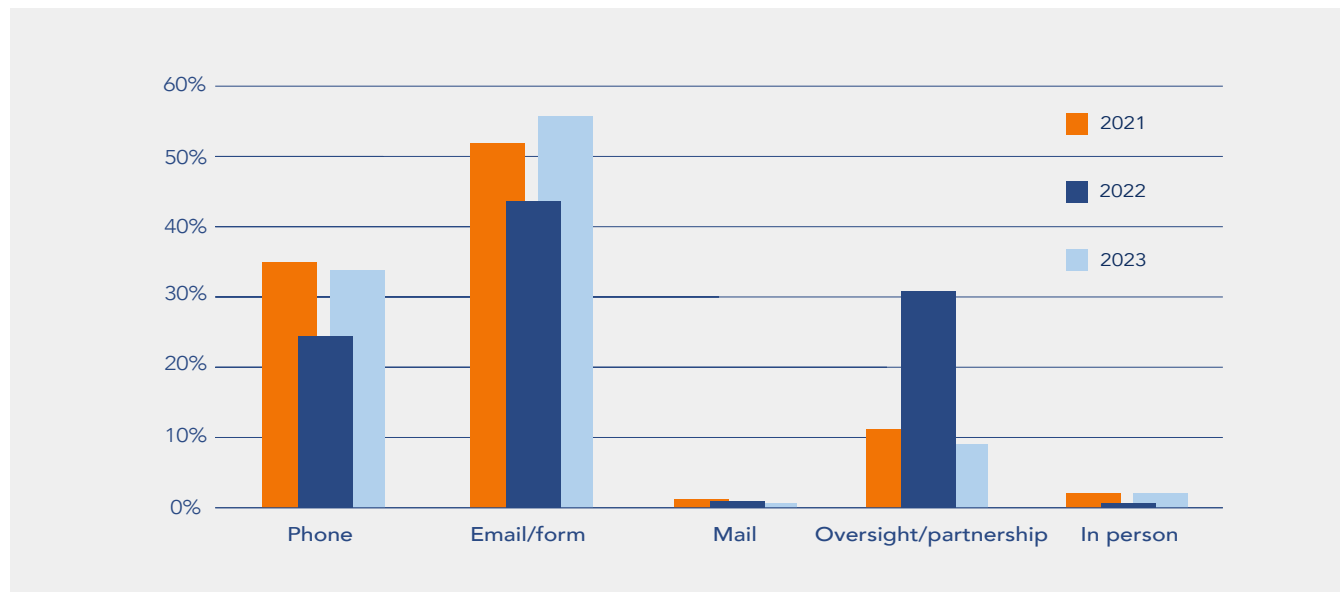
### SOURCES OF DENUNCIATION



The preferred method for submitting denunciations remains email, the online form and telephone communication. These transmission methods accounted for almost 88% of the denunciations received in 2023.

In 2022, the number of oversight operations had increased significantly with the implementation of a pilot project. By 2023, it returned to a level comparable to previous years after the oversight process was refined.

### TRANSMISSION METHODS USED



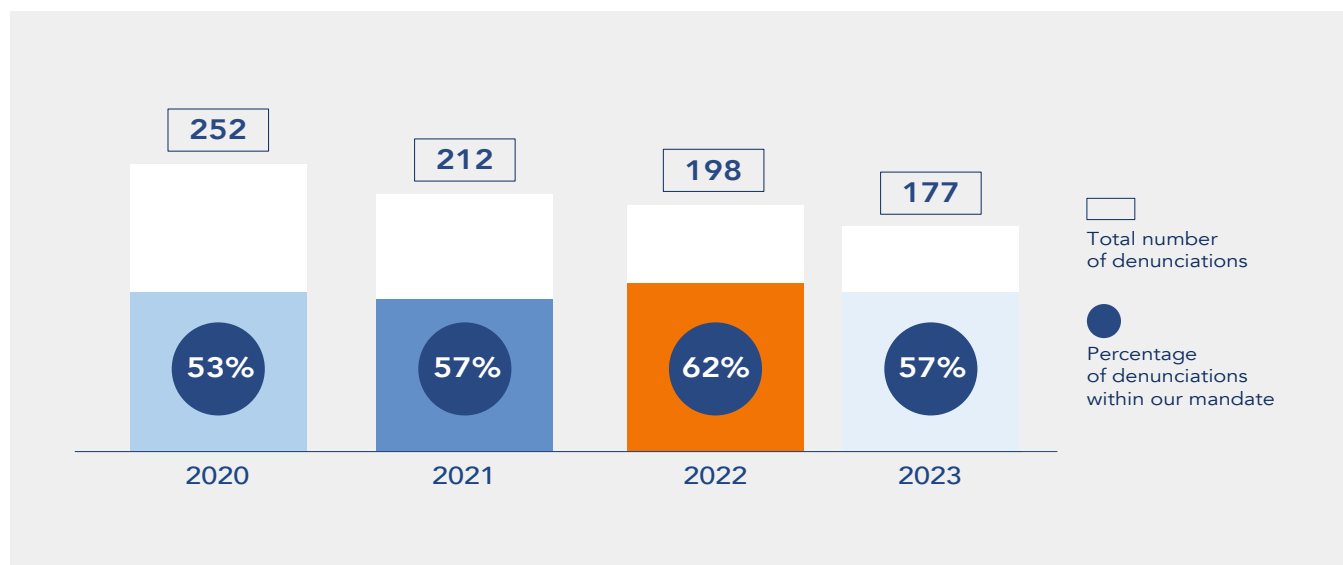
## Denunciations within and outside the Inspector General’s mandate

The OIG receives many denunciations. Each one is analyzed to determine whether it falls under the Inspector General’s jurisdiction. With the whistleblower’s consent, all denunciations entering via the Ville de Montréal’s ethics hotline are forwarded to the Comptroller General. For efficiency and confidentiality reasons, some whistleblowers may be invited to contact directly

another investigative or auditing body to file their denunciation.

The following graph shows the trend in whistleblowing falling under the mandate of the OIG. The percentage of such denunciations is slightly lower when compared to 2022, down from 62% to 57%, and remains stable compared with the percentage of the last three years.

### PERCENTAGE OF DENUNCIATIONS WITHIN THE OIG’S MANDATE COMPARED TO TOTAL NUMBER OF DENUNCIATIONS



In 2023, 76 out of a total of 177 denunciations received were outside the Inspector General’s mandate. Of these, 50 were referred to another entity. These denunciations, which do not require any intervention by the OIG, are nevertheless part of its intelligence database. As in prior years, with the permission of the complainants, more than half of these complaints were forwarded to the Comptroller General and the 311 Service Centre.

The following graph and table show the number of denunciations referred out of the total number received, as well as the breakdown of the denunciations referred to the different entities. Please note that the data includes cases where the whistleblower was invited to contact another department or organization directly.

BREAKDOWN OF DENUNCIATIONS REFERRED TO ANOTHER ENTITY<sup>2</sup>

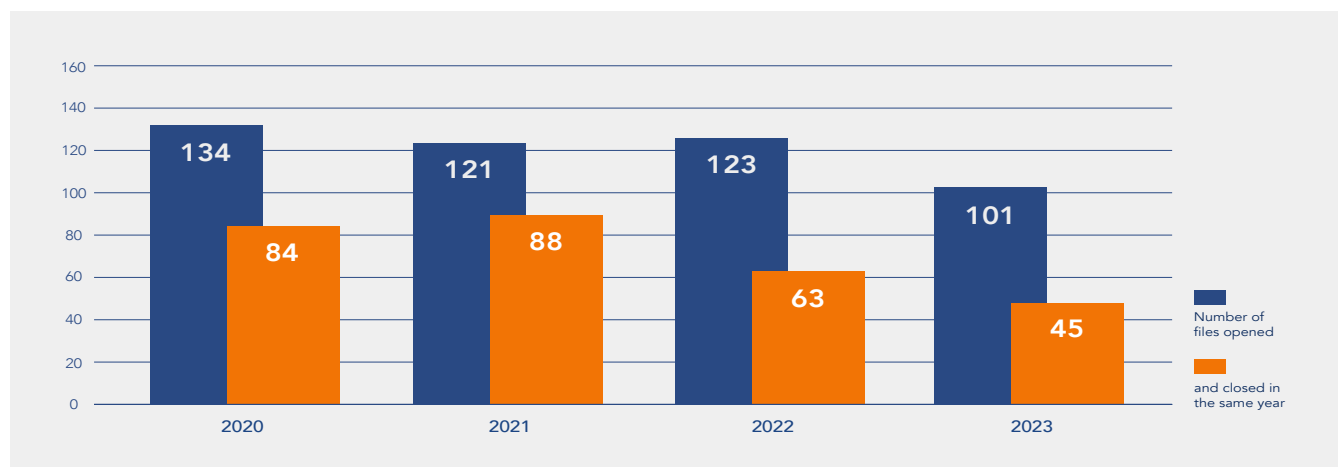
	2020		2021		2022		2023	
CG	28	31%	10	16%	12	30%	11	22%
311	26	29%	10	16%	10	25%	17	34%
SPVM / UPAC	8	9%	11	17%	5	13%	1	2%
OMBUDSMAN	4	4%	4	6%	2	5%	2	4%
CFPM	1	1%	0	0%	0	0%	0	0%
OAG	1	1%	3	5%	1	3%	1	0%
OTHER	23	25%	25	40%	10	25%	19	38%
<b>TOTAL</b>	<b>91</b>	<b>100%</b>	<b>63</b>	<b>100%</b>	<b>40</b>	<b>100%</b>	<b>50</b>	<b>100%</b>

## Statistics on OIG files

A file is opened when a denunciation within the Inspector General's mandate is submitted, information is collected by our teams, or an investigation is launched on the OIG's own initiative. Opening a file triggers a rigorous analysis and investigative process, involving numerous checks and corroboration of information.

In 2023, 101 files were opened, which is down from the average in recent years. Of these, 45 were processed and closed during the year.

### NUMBER OF FILES OPENED AND CLOSED IN THE SAME YEAR



A total of 80 files were closed in 2023. Due to their complexity or specific follow-up, multiple files remain active at the end of each year. These active files are in addition to those from prior years. In 2023, 35 files opened in previous years were processed and closed.

On December 31, 2023, there were still 87 active files.

<sup>2</sup> CG: *Contrôleur général*

311: Ville de Montréal phone line

SPVM: Service de police de la Ville de Montréal

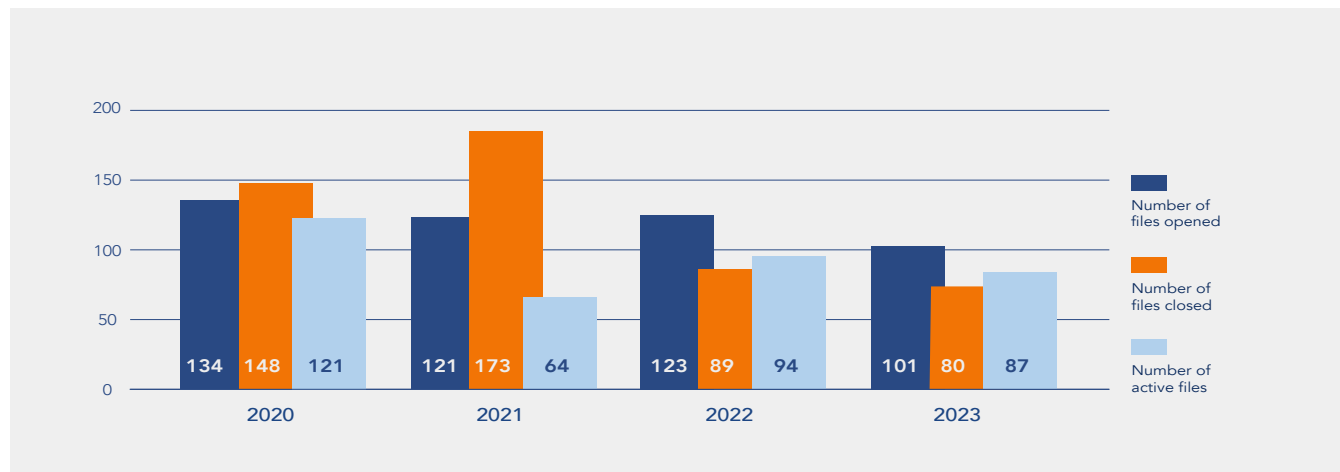
UPAC: Unité permanente anticorruption

Ombudsman: Montréal ombudsman

CFPM: Commission de la fonction publique de Montréal

OAG: Office of Auditor General of Ville de Montréal

### NUMBER OF OPEN, CLOSED AND ACTIVE FILES

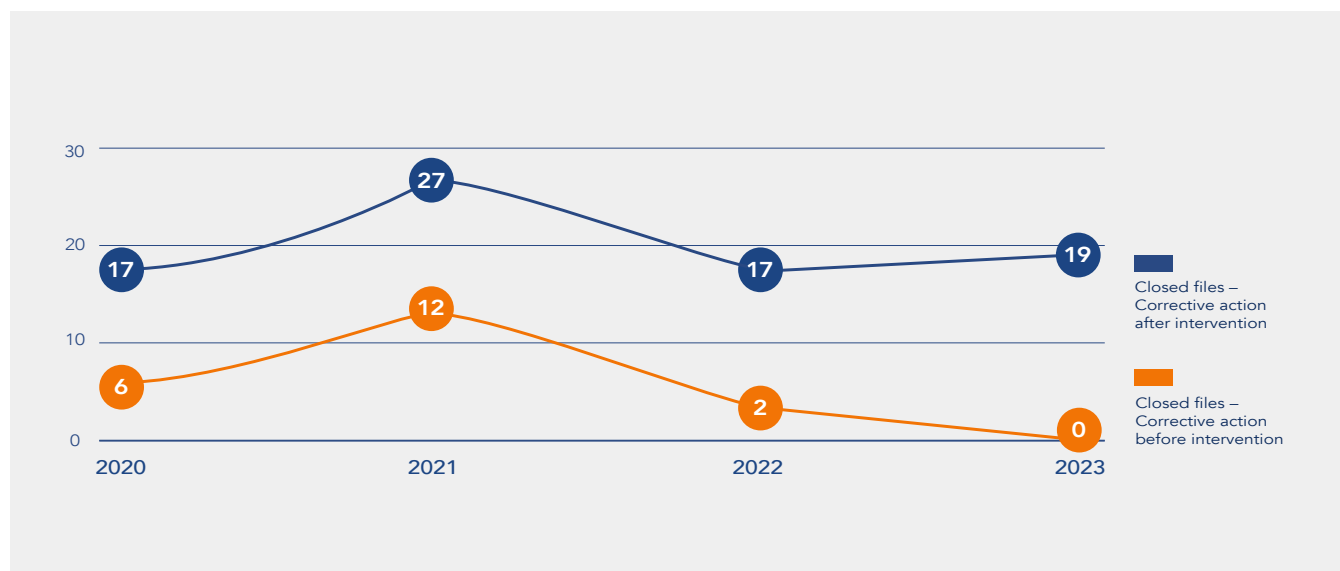


For purposes of prevention and efficiency, the OIG continues to intervene and work with business units during the posting of a call for tenders or before a contract is awarded. This approach enables rapid intervention by identifying the corrective actions required for project owners to rectify certain irregularities identified in the contracting process or in the tender documents.

In 2023, corrective actions were taken following the OIG's intervention on 19 occasions, up slightly from 17 in 2022.

Cooperation on the part of business units is key. It helps avoid the need for an in-depth investigation, or to delay or cancel the contract award process if the anomaly cannot be corrected.

### NUMBER OF CLOSED FILES WHERE CORRECTIVE ACTION WAS TAKEN



## Files handled in connection with the ARAMP mandate

Since May 25, 2019, the OIG has been responsible for exercising the duties and powers established by the ARAMP.

The ARAMP created the AMP, which is charged with overseeing all public and municipal contracts in Québec, except for Ville de Montréal contracts. For Ville de Montréal, the OIG replaces the AMP and is bound by the same obligations in the exercise of its duties and powers. Meanwhile, the reconstituted cities of the Montréal agglomeration fall under the AMP's jurisdiction.

Under the ARAMP, when certain conditions are met, a complaint may be filed with a municipal body regarding a call for tenders being posted. For Ville de Montréal (boroughs and central services), the Comptroller General is the first to receive and review complaints.

- » An interested party, usually a potential bidder, must submit their complaint to the project owner, which notifies the complainant of its decision.
- » If the complainant disagrees with the project owner's decision, they can contact the OIG.
- » In some cases, described in the ARAMP, a complaint can be filed directly with the OIG.
- » Any individual or legal person may disclose information to the OIG at any time.

The latter examines the complaints and, if applicable, recommends appropriate measures to ensure healthy competition and fair treatment of all bidders. It can also review the award and performance of a public contract after receiving information or under an intervention established by the ARAMP.

On the OIG website, interested parties can access all the documentation needed to file a complaint intended for a project owner or the OIG.

In 2023, the Inspector General received three complaints addressed directly to the OIG. One of them blamed a project owner for cancelling the call for tenders, while another blamed a project owner for not changing certain requirements in the specifications to meet their request. These two complaints were found to be inadmissible on the grounds that they were not based on a modification to the tender documents. The third complaint was deemed admissible, but after verification, appeared to be unfounded.

In addition, the Inspector General received a request for a review of a decision made by the *Contrôleur général* concerning a complaint that he had deemed inadmissible. Upon verification, the Inspector General upheld the Comptroller General's decision, as the complaint was filed after the filing deadline indicated in the SEAO.





Our analyses  
and preliminary  
investigations

04

## Files closed during preliminary investigation

The OIG prefers to be proactive when problematic situations arise in the contracting process. This preventive approach is an integral part of its strategic planning and is carried out in part at the preliminary investigation stage.

In 2023, the Office of Inspector General intervened to correct irregularities reported by a potential supplier or spotted during the monitoring of calls for tenders that fall within its mandate. Similarly, it intervened with project owners to clarify certain situations that raised doubts among contractors and project owners about the integrity of the contracting process. Here are some examples.

### Failure to comply with an internal directive

A project owner was about to award a contract by mutual agreement for a value exceeding the maximum contract threshold at the time, i.e., \$121,200. The OIG asked for an explanation regarding an administrative directive requiring the project owner to issue a public call for tenders when the contract estimate is over \$85,000.

The project owner justified that, in calculating the net value of the contract, the amount was under the threshold. He did not consider the current administrative directive, knowing that a new version was pending approval. Such approval would have allowed for a contract by mutual agreement even if the estimate exceeded 85% of the threshold.

Since the old directive was still in effect at the time of the OIG's intervention, the project owner chose to cancel the contract by mutual agreement and issue a public call for tenders.



### Poor communication

In fall 2022, a project owner issued a call for tenders by invitation to several companies for the rental of a truck, with operator. In January 2023, he issued a second call for tenders by invitation for the same purpose, but without notifying the contractors of the outcome of the first call for tenders. The bidders did not know whether they had been awarded the first contract and were therefore unable to decide whether to bid on the new call for tenders. They then contacted the project owner to obtain that information. The project owner responded to their request after the OIG had been informed of the situation.

Similarly, the OIG had to intervene twice with a project owner that failed to answer email requests from potential bidders. In each case, a company had sent multiple messages to the email address listed in the SEAO to book an appointment to visit the worksite, a mandatory step in the call for tenders. The project owner failed to answer.

During the verification process, the OIG identified a technical problem in the project owner's management of the email account. The project owner had never received the emails from these companies. The technical problem was resolved to the satisfaction of the requesters.

### Compliance with the regulatory framework

Following the publication of a call for tenders for management services, a project owner received only one bid from an NPO. However, the contract could not be awarded because the amount exceeded the \$1 million threshold, and the NPO did not have AMP authorization.

The call for tenders was therefore cancelled. The project owner decided to shorten the contract from 45 to 21 months and reduce its value to nearly \$500,000. A contract by mutual agreement was awarded to the NPO that had submitted a bid in response to the public call for tenders.

The OIG reminded the project owner that, under the regulatory framework, although the co-contracting party was an NPO, it could not be awarded a contract by mutual agreement. The exception granted to an NPO does not apply to a service contract of this nature: the amount provided for in the contract exceeded the threshold set out in the *Regulation ordering the expenditure threshold for a contract that may be awarded only after a public call for tenders* to allow a contract by mutual agreement to be awarded. Since the situation was not covered by the exception under Section 573.3 of the CTA, the project owner decided to simply issue a new public call for tenders.

In another case, during verification of the tender documents for a building renovation project, the OIG identified a problem that did not allow a proposal for equivalency before the contract was awarded. In an addendum, the project owner had replied to a question concerning the request for equivalency that “all requests for equivalency will be submitted and analyzed after the opening of bids.” The OIG concluded that failing to evaluate equivalency requests during the tendering process was contrary to the regulatory framework. The project owner could therefore not award the contract, which led to its cancellation.

### **Performance specifications**

A recurring category requiring intervention by the OIG is non-compliance with Section 573.1.0.14 of the CTA or Section 99.2 of the *Act respecting public transit authorities*, which requires the needs to be described and defined by in terms of performance or functional requirements. On several occasions in 2023, during the procurement process for vehicles or other equipment, the OIG requested the project owner to modify the requirements set out in its specifications to describe the needs and avoid descriptive characteristics, even when referring to a product, while allowing for equivalences. This method should be used only as a last resort when the needs cannot be described.

### **Requests for clarification**

An intervention from the OIG does not systematically lead to corrective action in the contracting process. On several occasions, the OIG acted as an intermediary between contractors and project owners, either because the contractors were unable to communicate with staff, communication was taking too long to establish, or the two parties could not understand each other properly. As the following examples show, the OIG's intervention was requested to clarify certain situations without there being any irregularities to correct.

The OIG was asked to examine whether bidders in a call for tenders for a major project met the specification requirements, particularly in terms of the companies' experience. There were doubts about the relevance of the projects presented by the lowest bidder. Upon verification, it was confirmed that the company's projects met the compliance conditions, including two contracts carried out in the last five years for work of a comparable nature and value.

In another case, the OIG was made aware of a situation where a successful bidder claimed that the project owner required the installation of equipment certified for road work in accordance with the standards set by the Bureau de normalisation du Québec, even though no supplier held such certification. Upon verification, it appeared that there had been a misunderstanding of clauses in the specifications, according to which the project owner required the product to comply with a standard as opposed to being certified. The successful bidder simply had to provide documents attesting to the product's technical specifications alongside a comparison with the requirements set by the standard for its product to be accepted.

## Public reports: Follow-up on the recommendations of the Inspector General

Most reports produced by the Inspector General contain recommendations addressed to City Council. These are intended, among other things, to prevent breaches of integrity and regulatory framework and encourage compliance with the City's requirements in the awarding and performance of public contracts. Section 57.1.8 of the *Act respecting the inspector general of Ville de Montréal*<sup>3</sup> provides that “[...] the inspector general shall verify, within the city, the implementation of such measures adopted by any council.”

As the City has not yet established a formal mechanism for tracking the implementation of the Inspector General's recommendations, and as the Inspector General does not have access to the City's computerized recommendation tracking system used by the Office of Auditor General, among others, the OIG has been working with the Office of Comptroller General to set up a process to monitor the implementation of its recommendations. The OIG is confident that it will be able to integrate the new recommendation tracking management system currently being acquired by Ville de Montréal. For the time being, a temporary tool has been implemented and an operating process has been decided on with the Comptroller General.

As part of the June 2023 public report on the rehabilitation of the Roussin community centre<sup>4</sup>, the OIG noted that its recommendation to terminate the contract with Induktion had been followed and that an action plan had been implemented and was in progress for the other four recommendations issued.

In a case dated June 2022 pertaining to the awarding and performance of contracts resulting from calls for tenders for snow removal in the Mercier–Hochelaga-Maisonneuve borough<sup>5</sup>, the Inspector General noted that some of her recommendations on the inclusion of individuals and firms in Ville de Montréal's Register of Ineligible Persons were followed. Registrations were in effect as of March 2023.

The Inspector General also observed, in a case dated March 2022<sup>6</sup>, that the recommendations made in her report on two Ville de Montréal contracts related to the sorting and marketing of recyclable materials had been followed, except for the one regarding termination of a contract. The City was unable to go ahead with this recommendation because it was unable to find a supplier capable of taking over the service.

Finally, in 2023, an important step was taken in implementing the second and final recommendation made by the Inspector General in her January 2022 report on the acquisition of a cloud solution by Ville de Montréal, namely migration to the Microsoft suite, which should be completed in 2024.

Follow-up on the Inspector General's recommendations is essential to ensure that Ville de Montréal's central services, boroughs and legal persons correct the problematic situations observed during the OIG's investigations and improve their practices.

For the City to adequately protect the integrity of its contracting process and demonstrate that it is making this a priority, it must ensure that a formal process for assigning and following up on recommendations issued by the Inspector General is rapidly implemented. It must also hold business units accountable and raise awareness of the importance of implementing and rigorously and diligently tracking recommendations.

*The OIG has been working with the Contrôleur général to set up a process for tracking the implementation of its recommendations.*

<sup>3</sup> SQ 2014, c 3

<sup>4</sup> [Report on the Rehabilitation of the Roussin Centre \(Calls for Tenders IMM.SP20-05, IMM22-01 and IMM22-08\)](#), Office of Inspector General, 2023, 32 pages

<sup>5</sup> [Report on Contract Award and Performance Related to Calls for Tenders 16-15062, 18-16618 and 21-18750](#), Office of Inspector General, 2022, 66 pages

<sup>6</sup> [Report on the performance of contracts resulting from call for tenders 17-5849, “Design, construction, operation and maintenance of a recyclables sorting centre” and call for tenders 19-17343, “2020–2024 recyclables sorting and marketing service”](#), Office of Inspector General, 2022, 42 pages

## Oversight: A best practice

In 2023, the OIG continued its pilot project to monitor calls for tenders and contract awards and to propose corrections or improvements when deficiencies were noted. These interventions took place before the end of the publication period, thus preventing calls for tenders from being postponed or cancelled.

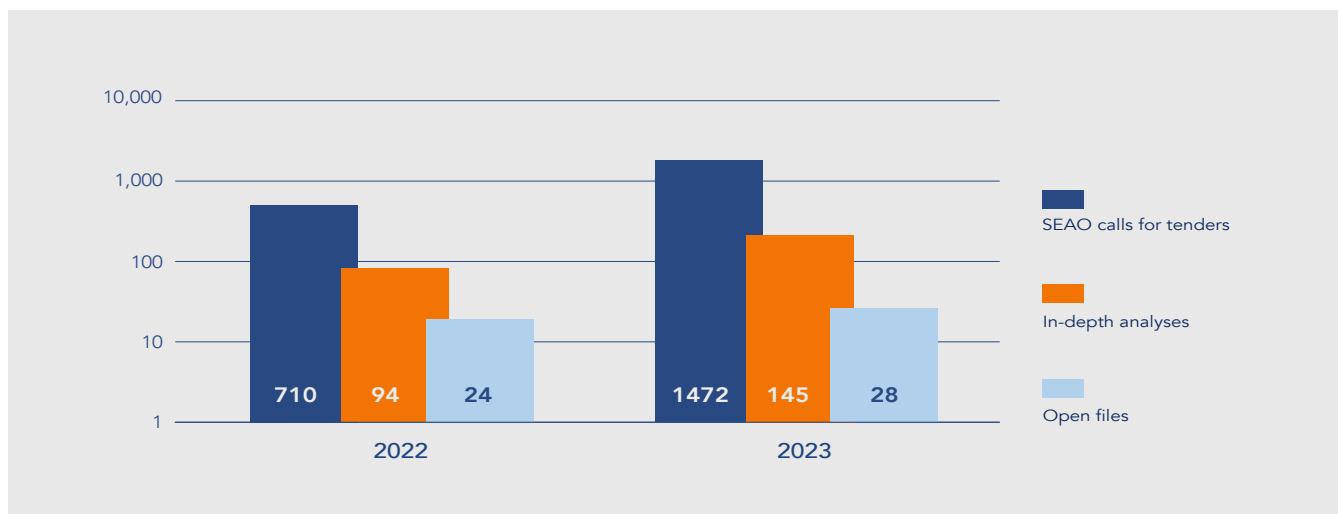
### Call for tenders monitoring

The key to monitoring calls for tenders is to determine the relevant criteria for identifying potential problems that prevent fairness among bidders. Moreover, certain criteria in calls for tenders have a direct influence on opening results.

In June 2022, the OIG began monitoring the SEAO. Using the data collected, a knowledge base was developed to further analyze market trends and areas of activity at risk of collusion or rigging. This database enables the OIG to proactively interact with project owners to help them avoid certain market pitfalls.

Over the past two years, the OIG has monitored over 2,000 calls for tenders and contract by mutual agreement. Of these, the monitoring team examined 239 and forwarded 52 to the analysis team or the investigation and inspection team.

### FILES BEING MONITORED



### Contract award monitoring

Monitoring the contract award process brought to light the correlation between some call of tenders' criteria and their results. Post-award intervention is more complex and given its impact on the business unit and bidders, it requires careful validation. Even if this intervention takes place after contracts have been awarded, it still reduces the risks associated with the performance of non-compliant contracts.

Through information and experience gathered during the monitoring of collusion cases or during prior investigations, the OIG can now identify factors that will be taken into consideration in future investigation. This was the case for the investigation into calls for tenders for the acquisition of water meters reported on page 34. Number of bidders, large contracts by mutual agreement, major discrepancies between contract cost and estimate, and significant contract renewal increases are all factors that can help identify cases that may require further analysis.



## CLASSIFICATION OF NOTICES OF CALLS FOR TENDERS FOR THE 2023 MONITORING PERIOD

Project owner	Number of notices	Forward contracts	Significant deviation from estimate	Over 20% increase	Only 1 bid	More than 5 bids
Ville de Montréal	1,098	97	115	1	104	75
STM	143	8	10		4	2
OMHM	108					7
SPJD	33		1		1	1
Other	90					

Through the data collected, it is possible to get a picture of the market and the distribution of contracts for Ville de Montréal to its suppliers. It can also be used to identify sectors where demand exceeds current supply and help business units adopt new contractual strategies.



Our inspections  
and investigations

05

## Overview of investigations closed in 2023

The inspection and investigation team closed various cases in 2023. The cases presented below reflect part of the scope of the investigations carried out and the General Inspector's resulting recommendations.

### Difference of opinion on elimination criteria

Can a company indicate in its bid that it can meet all the eliminatory criteria of a call for tenders for the sole purpose of obtaining a contract from Ville de Montréal?

Following a denunciation received, the OIG investigated a firm that was awarded a contract not only because its project management software was the least expensive, but because it could meet the hundred or so eliminatory technical criteria contained in the City's tender specifications. However, two years after the digital solution's implementation began, the whistleblower indicated that several issues were still unresolved and that he had doubts as to whether the winning firm really had the capacity to deliver what had been requested in the call for tenders.

According to him, during the performance of the contract, the winning bidder made certain modifications to its digital solution in order to comply with the initial criteria of the call for tenders, even though its software should already be compliant in all aspects. Since the software had to meet the elimination criteria and comply with the call for tenders, which did not appear to be the case, the complainant felt that other bidders had suffered prejudice because their proposals had been deemed technically non-compliant and rejected.

Witnesses met during the investigation considered that the winning firm's proposal should have been deemed non-compliant by the Technical Committee during bid evaluation and its bid should have been rejected. However, the committee decided otherwise and found the digital solution compliant since it met the technical criteria.

In the end, the contract was terminated before the end of the investigation due to unsatisfactory performance by the winning bidder. Given the end of the relationship with the City, the OIG was unable to draw any conclusions regarding the compliance of the digital solution or any breach of the regulatory framework.

Nevertheless, the investigation showed that the use of elimination criteria in a call for tenders must clearly and accurately reflect the project owner's needs, to avoid an overly broad interpretation by bidders.

As recommended by the Inspector General in her public report on the acquisition of a cloud-based solution,<sup>7</sup> a high number of elimination criteria presents major difficulties for bidders and for the business units responsible for evaluating products and does not always promote the integrity of the process.

### Non-compliant despite certification

The OIG investigated the cancellation of a call for tenders concerning the acquisition and installation of thermal printers. In order to comply with the technical specifications, bidders were required to submit their product to a test bed designed to verify its proper functioning, as well as its compatibility and ability to connect to the printing software.

However, one of the bidders, who already had compatibility certification, had its product declared non-compliant following the test bed due to a minor misalignment. The investigation showed that this misalignment did not depend on the printer, but rather on the software, over which the bidder had no control.

During the test bed, the project owner did not ensure that the process was carried out under optimal conditions for the bidder's success. The project owner even refused to communicate with the software company to request the necessary adjustments to correct the alignment, since it was also a bidder on the call for tenders. The personnel's lack of technical knowledge during the test bed, as well as the lack of communication and coordination with the project owner on the specific issues involved in this call for tenders, led to its cancellation.

Furthermore, the Technical Committee changed its position after the fact, from the bidder's compliance, despite the minor discrepancy in the tests performed, to technical non-compliance as the tests did not fully meet the technical specification criteria due to the minor discrepancy. This discrepancy was easily adjustable with the software supplier and incidental, according to a witness we met.

Nevertheless, the investigation did bring to light some points that the Inspector General wishes to highlight. In her opinion, the City was carelessness in not putting in place all the necessary measures to ensure that the test beds were performed under ideal conditions. She noted that the City's overall behaviour before, during and after the call for tenders led to a series of errors and confusion, detrimental to the bidders. She believes that, with adequate resources, the minor technical non-compliance could have been easily corrected. Since then, a reminder of the rules has been sent out, and supervisory measures have been put in place.

<sup>7</sup> [Recommendations Regarding Call for Tenders 17-16146 Involving the Acquisition of a Cloud Solution by Ville de Montréal](#), Office of Inspector General, 2022, 18 pages.

Still, the Inspector General must acknowledge that it is the City's prerogative, as the project owner, to cancel a call for tenders if it concludes that the bidders are non-compliant and that their proposals do not meet the requirements of the specifications. She also recognizes that, in terms of the technical specifications, the bidder's proposal was non-compliant. That said, the City had no choice but to reject the bid in order to comply with the wording of its specifications.

In conclusion, as mentioned above, the investigation did not reveal any breach of the regulatory framework. In these circumstances, the Inspector General can simply encourage the City to reconsider its position in this matter but cannot recommend any formal measures to that effect.

### **Expanding the market**

As part of its monitoring activities, the OIG investigated calls for tenders for the acquisition of water meters by Ville de Montréal. Given the past integrity issues, the OIG is closely monitoring the City's calls for tenders for this type of acquisition.

The investigation revealed that the project owner had ruled out water meters with ultrasonic technology, citing various reasons, including warranty concerns, alleged fragility of the devices and high replacement costs. However, the evidence gathered showed that this technology had evolved considerably in recent years, and that its reliability and performance were now comparable to those of magnetic-type meters. New data collected on ultrasonic technology and a more accurate interpretation of the warranty meant the City could no longer justify its exclusion from a call for tenders.

Although ultrasonic meters were excluded in this precise situation, a multitude of companies using various other technologies were still able to participate in the call for tenders and offer their products.

The OIG therefore informed the project owner of the changes made to this type of meter so that it will henceforth be considered, which will foster a wider range of products and thus better competition in future calls for tenders.

In conclusion, the OIG noted that there was no indication of collusion or favouritism in the most recent calls for tenders for water meters.

### **An over-demanding subcontractor**

The OIG investigated the legitimacy of a letter of undertaking issued by a subcontractor requiring general contractors bidding on a call for tenders to award the contract to said subcontractor at the time of adjudication, under penalty. This document also enabled the subcontractor to circumvent certain specific clauses of the main contract. By signing this type of undertaking, the general contractor who won the contract was held hostage by the obligations imposed by the subcontractor.

After bidding on the City's call for tenders, the general contractors in question sent all subcontractors of a certain specialty an invitation to bid on the project to Bureau des soumissions déposées du Québec (BSDQ) to obtain their price quotes.

However, a few days before the call for tenders closed, the whistleblower bidder noted the presence of a single subcontractor in the specialty in question. When there is a sole subcontractor, at the time the general contractors take the budget envelope, BSDQ rules require the winning bidder of the main contract to work with the sole subcontractor.

In this situation, the subcontractor chose instead to withdraw its bid from BSDQ, contacted the general contractors who recovered the budget envelope, including the whistleblower, and suggested they sign an agreement. It was suggested for the general contractors, at the time of adjudication, to award the subcontract to the aforementioned subcontractor in return for the bid amount, which was not yet known. Should the winning bidder decide to disregard the agreement and not work with the subcontractor, a penalty would be charged. Once signed, this agreement released the subcontractor from the obligation to comply with the main contract, released it from certain obligations stated in the tender documents and forced the winning bidder to give preference to its bid over that of the project owner.

This situation, going against standards of public integrity, was brought to the attention of the project owner, who postponed the closing of the call for tenders to allow contractors to approach new subcontractors.

Considering that there was no damage resulting from this situation, the OIG closed the file. Nevertheless, it remains vigilant to the emergence of this type of demand from subcontractors, which runs counter to standards of public integrity and healthy market competition.



### **Violating the Policy for the Recognition and Support of Non-Profit Organizations**

A borough brought to the attention of the OIG issues concerning the governance rules and possible wrongdoing observed at a non-profit organization that the borough had entrusted to organize soccer activities on its territory. An agreement had been signed between the borough, which provided soccer fields free of charge, and the non-profit organization, whose mandate was to operate them for the benefit of amateur soccer activities for the local population.

Evidence gathered during the investigation showed that the NPO's board chair had, on his own initiative, allowed teams of adults to use the fields loaned by the borough in exchange for financial compensation. However, this arrangement was not permitted under the borough's Policy for the Recognition and Support of Non-Profit Organizations.

The investigation also revealed that the board chair had been elected by resolution as the NPO's executive director, a role which provided him with an annual salary. Nevertheless, the Policy for the Recognition and Support of Non-Profit Organizations was clear: no member of the board of directors could receive any form of remuneration.

Following the investigation, the OIG suggested that the borough implement various measures to prevent these situations, which could jeopardize summer activities such as youth soccer. The OIG's interventions also led the NPO to review its governance and improve its processes, to the satisfaction of the borough and for the benefit of a successful 2023 soccer season.

### **Regarding snow removal...**

The snow removal sector was also the subject of denunciations in 2023, notably to report the loading of snow from a property owned by a funeral home and various industrial companies dropping off their snow on public roads for removal by the City. Although, in some cases, the denunciations proved to be unfounded, the OIG nevertheless investigated, requested corrective measures, and issued notices to ensure that the breaches did not reoccur and to improve the flow of operations.

In dealing with these denunciations, the OIG has noted greater vigilance on the part of Ville de Montréal personnel in this sector of activity, previously lacking in control and supervision. This vigilance was also noted by service providers, who ensure that snow removal operations are now carried out with greater rigour and integrity.

### **Directed specifications**

A denunciation was filed with the OIG regarding a call for tenders for the purchase of loader-mounted snowblowers, whose requirements were so detailed as to suggest that a specific product was being targeted. Since the OIG had previously been involved in this type of acquisition, and in an effort to open up the market to competition, the project owner had contacted potential bidders to find out their product specifications before issuing its call for tenders. However, this approach was not reflected in the specifications, which seemed to be directed at a single company.

Indeed, the investigation revealed that the various competing bidders could not meet the criteria of this call for tenders without having to substantially modify their product, as some of the required features of the snowblowers were offered by a single supplier. This type of situation discourages potential bidders, who prefer to pass rather than incur the expense of modifying their product in order to comply with a specification when their product already meet the need. As a result, this type of targeted call for tenders increases the likelihood that a project owner will end up with a sole supplier who would not only have a monopoly, but the ability to raise the price of its products.

In conclusion, the OIG intervened on several occasions to make this project owner aware of the importance of describing its needs in terms of performance and functional requirements to foster competition. This new intervention led the project owner to cancel the call for tenders to review the presentation of their requirements. The OIG will be monitoring future calls for tenders of this nature and will pay particular attention to the acquisition of rolling stock.

### **Anti-Competitive Trends**

In recent years, the OIG has witnessed a transformation in the role played by suppliers of goods and products in public calls for tenders issued by Ville de Montréal and its various related legal entities. The undeniable influence these suppliers now have on professional services firms, contractors and subcontractors and certain approaches they use to position their product as a "reference product" or "unique product", creating upward pressure on proposed prices through certain strategies. This situation was noted on numerous occasions by the OIG. Many of the tactics used by certain suppliers to promote their products clearly compromised a transparent, fair, neutral and impartial competitive bidding process that enabled Ville de Montréal to meet its needs at the best possible price.

The OIG found numerous examples of suppliers using various methods to gain a prime position with contractors or subcontractors when bidding on public calls for tenders. The

OIG also noted that when a supplier succeeded in positioning itself with a unique product or reference product, the price of its products in the bids submitted was significantly higher than their actual value. Furthermore, given the lack of competition on the market, the various stakeholders were locked into the supplier's price, without any other option.

As part of an investigation into a public call for tenders, the Inspector General observed this new trend when a supplier of a specialized product tried to position itself as a sole supplier by offering its competitor substantial amounts to withdraw from a public call for tenders and not specify its product to contractors and subcontractors that would contact him about it. By using this strategy and becoming a sole supplier, the latter could then quintuple the value of its product on the bids submitted to its co-contractors and thus substantially increasing its profit margin, while offering generous compensation to its competitor, who would have left it free to operate. In this specific case, given the potentially fraudulent and criminal nature of certain

actions taken by this supplier to carry out its strategy with its competitor, the Inspector General transferred the case to a police force for further investigation.

Since its inception, the OIG has stressed the importance of ensuring the procurement of public contracts remains fair and equitable for all players in the contracting process. This case is a perfect example of the schemes that some bad-faith suppliers are prepared to use to circumvent the rules of healthy competition and maximize their profits at the expense of the public interest. This case is not unique, and the Inspector General would like to remind both Ville de Montréal and its various related legal entities to ensure that measures are in place to detect and repress such behaviour on the part of suppliers of goods or products, notably by updating their *By-law on contract management*. The by-law is, by means of its articles, an essential tool in preventing corruption, collusion and deceptive practices within the framework of a public contract.

## Public report

The OIG produced a public report on three contractual processes in the borough of Rivière-des-Prairies–Pointe-aux-Trembles in connection with the rehabilitation of the Roussin community centre.

The OIG examined the awarding of a professional services contract to the firm Induktion, as well as two construction calls for tenders prepared by that firm for the rehabilitation of the Roussin community centre. The investigation revealed that the two construction calls for tenders did not comply with Section 573.1.0.14 of the CTA. The technical specifications of multiple products were described in descriptive terms, using brands and models, rather than in terms of performance or functional requirements, as required by law. The firm exchanged information in the form of performance or functional requirements with potential distributors or suppliers. Furthermore, these calls for tenders did not contain clauses allowing bidders to submit equivalent products.

The investigation revealed that the Rivière-des-Prairies–Pointe-aux-Trembles borough project team contributed to the drafting of non-compliant specifications by providing Induktion with

instructions based on a misunderstanding and misinterpretation of Ville de Montréal's obligations and administrative framework.

Based on the investigation's findings, the Inspector General recommended that the contract awarded to Induktion be terminated and that the process of drafting plans and specifications for the rehabilitation of the Roussin community centre be resumed, in accordance with the law. She also recommended that Ville de Montréal develop an incremental plan for the revision and updating of standardized specifications and that training on defining needs through performance criteria, provided by the OIG and the Office of Comptroller General, be made mandatory for all municipal personnel involved in the design and preparation of calls for tenders and contract management.

To avoid any risk of misunderstanding on the part of professional service firms responsible for the design and preparation of plans and specifications for public calls for tenders, the Inspector General recommends that Ville de Montréal personnel be required to inform the firms of the obligations set out in Section 573.1.0.14 of the CTA at kickoff meetings.



## Worksite Supervision

Each summer, the Inspector General entrusts her investigation and inspection team with the task of monitoring a major Ville de Montréal worksite. This annual process, which began in 2016, is part of her legal responsibilities. Its purpose is to prevent and detect breaches of integrity in contract performance and, where appropriate, make recommendations to Ville de Montréal to correct any shortcomings.

Over the years, the OIG monitored a wide range of work, ranging from municipal infrastructure to building demolition and social housing renovation, to name but a few. The areas of activity targeted for the 2023 operations were established to provide an overview of the situation with respect to the findings made during monitoring activities from 2016 to 2018. These included infrastructure and sidewalk worksites, as well as the removal of contaminated soil.

In 2023, 36 contracts were targeted as part of the OIG's operations, mainly for integrated municipal infrastructure projects involving the construction of underground pipes, sidewalks and pavements. In addition, levelling and paving contracts, as well as sidewalk repair contracts were also targeted by worksite supervision.

These operations had three specific objectives:

- » Work supervision
- » Material supply
- » Soil and demolition debris disposal and traceability

A total of 73 worksite visits were carried out by the investigation and inspection team. These visits resulted in 223 meetings with foremen, supervisors, technicians and construction company managers.

### Work supervision

The general findings resulting from operations from 2016 to 2018 mainly concerned the supervision of work performed by external firms. The OIG's reports highlighted the critical role of supervisors and material control technicians in terms of their responsibilities and duties.

At that time, the OIG observed situations where the rules had not been followed by contractors and where situations of non-compliance had been tolerated by the personnel responsible for enforcing the specifications, whose unpredictable presence put the quality of the work at risk. In addition, the Inspector General raised the issue of pressure on supervisory and technical teams from contractors, as well as the lack of skilled labour in engineering firms and laboratories.

When visiting worksites in 2023, the team noted a great improvement in the quality, presence and vigilance of the supervisory personnel. Supervisors and material control technicians were present at all times, with the exception of three inconsequential situations, accounting for 4% of visits. They demonstrated a good knowledge of worksite operations and specification requirements.

Supervision by City personnel proved to be an asset, based on the observations and testimony gathered by the OIG. In the Inspector General's opinion, stability of supervision staff, greater engagement and good collaboration with the contractor are key factors that help a worksite run smoothly.

### Interventions by the OIG

Most worksites visited by the OIG in 2023 were carried out in accordance with the regulatory framework. Occasionally, the OIG's team intervened for reasons relating to the wearing of personal protective equipment or the lack of safety measures for maintaining mobility.

Over the years, the investigation and inspection team has acquired a wealth of experience in worksite supervision. It has also built up an extensive network of contacts with key people in the municipal administration. As a result, when deficiencies were found, worksite managers were notified on site or contacted promptly at their workplace. Excellent cooperation between City personnel, supervisory firms and contractors ensured that problem situations were resolved promptly. For example, on two occasions, investigators from the OIG challenged those in charge of the work on site after noticing glaring deficiencies that put the safety of people circulating near the worksites at risk. In both cases, the situation was corrected immediately.



Investigators challenged those in charge of the work on site after noticing glaring deficiencies that put the safety of people circulating near the worksites at risk. Photo credits: Office of the Inspector General

## Breaches

Of the 36 contracts in question, five worksites were subjected to in-depth verifications due to suspected or observed deficiencies. The OIG opened two separate investigations related to these interventions to gain a clear and accurate understanding of the situation and determine whether there were any breaches of the regulatory framework. Indeed, the irregularities observed were of such concern that the investigative methods usually used in the worksite monitoring operations were insufficient to lead to a proper conclusion. The verifications focused on allegations of overbilling and a lack of probity in the relationship between contractors and subcontractors.

Furthermore, meetings between the OIG and the local population identified an issue regarding a lack of information on the responsibilities shared between the contractor and the City when work extends onto private property, such as for lead water inlet replacements. As a rule, work related to municipal contracts that affect private property, such as the repair of pavement or landscaping damaged during the execution of the work, is fully payable to the contractor by the City. Unfortunately, this information is not always clear and properly communicated to the affected population.

## Supply and placement of materials

Based on the OIG's observations, the installation of concrete, crushed stone and asphalt mix was adequately monitored and controlled. During worksite visits, no non-compliance were noted for either the materials delivered or their installation, except for two cases that were initially identified by worksite supervision personnel.

In one case, the supervisor's expertise led him to suspect that batches of crushed stone delivered to the worksite were non-compliant. Tests were conducted, notices of non-compliance were issued, and the non-compliant stone was removed from the site. In the other case, the material control technician noted on the delivery note that the asphalt mix did not match the formula required in the specifications. Delivery was refused, work was immediately suspended and resumed at a later date.

With regard to material suppliers, the problem of a limited market was noted, as only a few large companies are active in the sector in the Montréal area. In fact, several contractors get their supplies from a quasi-monopolistic market of suppliers.

## What's new in the sidewalk industry?

In conjunction with the 2023 worksite monitoring, the OIG undertook an extensive investigation into the Montréal's sidewalk industry. Following an initial investigation in 2017, the Inspector General wanted to update the portrait of this industry, which had been in the crosshairs of the Charbonneau Commission. How has it evolved? What are

the dominant companies? Why have costs skyrocketed in recent years? And what do we know about raw materials, including concrete? The OIG will continue its investigation, now well underway, to find answers to these questions. The data collected will be included in a future update on the sidewalk industry.

### Disposal of residual granular materials

Inevitably, any municipal infrastructure construction site involves the demolition of sidewalks and roadways, as well as the excavation of often contaminated soil. In past years, the OIG reported shortcomings in the disposal of soil and demolition waste. Since then, a new regulation on the traceability of contaminated soil has come into force to step up monitoring. Ville de Montréal has also set up temporary storage sites for slightly contaminated soil. The Inspector General made this recommendation in her 2019 mid-year report, so that the municipal administration exercises better control in this area and minimizes the risk of illegal dumping.

The Ministère de l'Environnement, de la Lutte contre les changements climatiques, de la Faune et des Parcs (MELCCFP), regulates the disposal and recovery of materials from construction sites and issues the necessary site permits. In the case of contaminated soil, MELCCFP maintains an up-to-date list of sites authorized to receive them, and their transport is subject to a regulated traceability system.

The subject is more complex when it comes to the disposal of residual materials.

In 2023, the OIG's observations led to the conclusion that off-site management of residual granular materials such as levelling or concrete residuals from the demolition of pavements and sidewalks is not adequately controlled on Montréal worksites.

Yet the City's specifications are clear, requiring that management of materials from construction sites comply with the provincial regulatory framework and that disposal or recovery sites be approved before work is carried out. However, although disposal sites for such waste are sometimes submitted by the contractor at the beginning of a contract, the OIG notes that they are not approved by the project owner or its representatives, either beforehand or during the work.



Off-site management of residual granular materials such as levelling or concrete residuals from the demolition of pavements and sidewalks is not adequately controlled on Montréal worksites. In this photo, pavement levelling residuals were disposed of on private property. Photo credits: Office of the Inspector General

In this regard, monitoring operations uncovered the illegal disposal of residual granular waste from a City worksite, which was dumped on two private properties in industrial areas. After the fact, the OIG found that a total of 78 semi-trailer trucks trips were carried out to these sites. MELCCFP was notified of the situation, as was the business unit responsible for the worksite. The business unit notified its teams and reminded them that the disposal of residual granular materials had to be tightly controlled.

Moreover, it can be difficult to validate that a site actually has the required MELCCFP authorizations. MELCCFP registers are not exhaustive, and the data they contain is not always sufficient to decide. As a result, expertise in the field is required to approve residual granular material disposal sites. In many cases, the only

way to check is to contact the MELCCFP. However, it can take several weeks to get an answer. When a worksite is in operation, such a delay is a major issue. Such delays, combined with the site decision difficulty, pose a risk of illegal dumping on private property, as we observed at one worksite.

### Recommendations

Based on the findings of the 2023 worksite monitoring, the Inspector General recommends that Ville de Montréal:

- » *Establish a procedure for approving disposal sites for residual granular materials and strengthen control over the management of these materials. To this end, an information and awareness program should be set up for project owners within the municipal administration*
- » *Ensure better communication with property owners when City worksites affect private property, to avoid billing problems*
- » *Promote the stability of the personnel assigned to supervise the work.*





Our legal affairs  
component

06

## Legal challenges

### **Ruling confirms fairness of the exclusion process for breaches of the regulatory framework**

Once again this year, the courts were called upon to clarify the legal framework surrounding the exercise of the powers of the Office of the Inspector General of Ville de Montréal. As some of these appeals are only at the preliminary stage, we will only deal with the Mainville case, in which the Superior Court confirmed the legitimacy of the exclusion of delinquent co-contractors.

### **The validity of the ineligibility list and the fairness of the decision-making process.**

In the public report filed on June 13, 2022<sup>8</sup>, the OIG concluded that KL Mainville had knowingly tolerated the participation of a person in a period of ineligibility (Mr. Louis-Victor Michon) in the performance of subcontracts with Ville de Montréal, contrary to sections 15 and 16 of the By-law on contract management. As a result, the City's contracts with KL Mainville were terminated by the OIG, and a recommendation to disqualify the individuals and companies involved in the contract for a period of five years was followed by the Ville de Montréal Executive Committee.

Mr. Serge Mainville took legal action, challenging the validity of the Executive Committee's decision. First, he alleged that Ville de Montréal did not have the power to disqualify (blacklist) its co-contractors and, second, that the process put in place for exercising such a power was unfair.

On July 28, 2023, in a substantive decision, the Superior Court dismissed Mr. Mainville's appeal. The Court emphasized the importance of the issue of contractual integrity and confirmed that Ville de Montréal, like all other cities in Québec, can create and administer, within the scope of its regulatory powers with respect to contract management, a local register of ineligible parties.

This ruling is the first to settle the question of the jurisdiction of a city, such as Montréal, to disqualify a co-contractor for a given period and to keep such a register. The court emphasized that the Executive Committee's process for recommending these sanctions was rigorous and fair.

On September 15, 2023, Serge Mainville was granted leave to appeal this decision. The hearing is scheduled for 2024.

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<sup>8</sup> [Report on Contract Award and Performance Related to Calls for Tenders 16-15062, 18-16618 and 21-18750](#), Office of Inspector General, 2022, 66 pages





Our prevention  
and training  
component

07

## Learn more about our prevention tools

The OIG is involved at various levels, either directly with the defaulting business units to correct irregular situations that are going against Ville de Montréal's legal provisions and requirements, or on a large scale via its training program and the publication of a prevention newsletter intended for all Ville de Montréal employees and interested members of the public.



Continuing its tradition, the OIG published two prevention newsletters in 2023 for civil servants involved in the municipal contracting process, to inform or remind them of the best practices to adopt. For business units, the prevention newsletter is an excellent teaching tool, as it provides information on the best practices to apply in contractual matters.

December's issue focused on bid bonds and guarantees. However, when it comes to application criteria and submission deadlines, this sound management principle is not without challenges. These may go so far as to prevent bidders and winning bidders from bidding on calls for tenders. The June newsletter dealt with intellectual property rights and proprietary products. It identified challenges that may result

from poor contract planning due to reliance on a particular supplier or product.

All prevention newsletters from the OIG are available on its [website](https://www.bigmontreal.ca). You may also receive them by email by writing to: [prevention@bigmtl.ca](mailto:prevention@bigmtl.ca).

### Prevention activities

In addition to training activities and the prevention newsletter, the prevention program relies on discussions with business units during the call for tenders' publication period. This approach enables us to discuss findings so that we can take corrective actions and thus prevent any problematic situation from continuing. As the Inspector General pointed out in her mid-year review, the OIG will be developing a new tool in the form of a recommendation report template. This new tool will help support upstream work and ensure rigorous follow-up with business units.

### An enhanced training program

The year 2023 was marked by virtual and in-person training in contractual integrity for business units in Ville de Montréal and elsewhere in the province.

Under Section 57.1.8 of the *Charter of Ville de Montréal, metropolis of Québec*, the Inspector General also has the mandate to "train the members of the councils as well as the officers and employees to recognize and prevent any breach of integrity or of the applicable rules in the making of contracts by the city or the carrying out of such contracts."

Although its training program has been in place for several years now, the OIG strives to develop and improve it every year to better serve the needs of its clientele. In 2023, a total of 3,255 participants took part in all forms of training available, including virtual and in-person sessions and virtual training modules. This brings the total number of participants to 17,901 since the training program was launched in 2017.

### Customized training

The year 2023 was particularly marked by dedicated and customized training for business units and boroughs. Meeting with personnel from the same service allows for a better understanding of their challenges and deliver a targeted message tailored to their reality. To better achieve these objectives, the OIG offered its training sessions in person once again this year. Of the 105 training courses offered in 2023, 22 were in person and 14 were reserved for a business unit reporting to the Inspector General.



*The year 2023 was particularly marked by dedicated and customized training for business units and boroughs..*

As in the previous year, the OIG continued to focus on its latest training course on describing needs using performance criteria. The OIG's investigations have shown that this legal obligation is still rarely applied and part of Ville de Montréal's calls for tenders.

Although the initial training mandate applies only to individuals and legal entities under her authority, the Inspector General continues to believe in the benefits of providing a training program to professional personnel involved in drafting calls for tenders or in contract management. As such, Société de transport de Laval, the municipalities of Saint-Jérôme, Terrebonne and Saint-Jean-sur-Richelieu, and Bureau d'intégrité et d'éthique de Laval – Terrebonne all benefited from several training sessions over the course of the year. Additionally, each term, the OIG continues to work with undergraduate and master's students from École de technologie supérieure to raise awareness of the principles of integrity in the contractual process. In 2023, the OIG training team delivered a total of 27 training sessions to organizations outside its mandate.



In 2023, a total of 3,255 participants took part in all forms of training available, including virtual and in-person sessions and virtual training modules.  
Photo credit: OIG



Our human and  
financial resources

08



## Our social commitment

### Centraide Walk/Run event and Sun Youth



Several of our OIG colleagues participated in Ville de Montréal's annual fundraising campaign to raise funds for [Centraide of Greater Montreal](#). The OIG's campaign, led for the seventh consecutive year by the Inspector General, exceeded its goal by raising \$6,202.50. In addition, a group of intrepid participants took part in Ville de Montréal's 2023 Centraide Walk/Run event. Photo credit: OIG



Several of our teammates raised their hands to provide food and help Sun Youth teams with their Christmas basket distribution campaign. Photo credit: OIG

## Our outreach

### External representations

The Inspector General, Deputy Inspectors General and various professionals accepted invitations from various associations here and abroad to promote the structure, mandate and mission of the OIG.

The Inspector General spoke at conferences organized by the Association of Certified Financial Crime Specialists and Corporation des officiers municipaux agréés du Québec. She also took part in the American Association of Inspectors General conference held in New York, in joining an all-female panel to discuss with her fellow Inspectors General from New York City and Chicago their respective approaches and strategies in the fight against corruption.

Brigitte Bishop also gave a lecture on the importance of having a contracting integrity organization at the 55th annual meeting of the Corporation des officiers municipaux agréés du Québec, held in spring 2023 in Québec City.



Ms. Bishop is joined by New York City Inspector General Lucy Lang and Chicago Inspector General Deborah Witzburg. Photo credit: AAIG

Guillaume Crête and Simon Laliberté shared their expertise at the first Rendez-vous des juristes municipaux event and the symposium on recent developments in public integrity.

### Coordination Committee

The OIG coordinates the Contract Integrity Coordination Committee, which also includes AMP, Bureau d'inspection contractuelle de la Ville de Longueuil, Bureau d'intégrité et d'éthique conjoint Laval-Terrebonne, Bureau de l'intégrité professionnelle et administrative de la Ville de Saint-Jérôme and UPAC. At four meetings, the partners shared best practices and new trends in contractual delinquency.

### Public integrity partnership forum

The public integrity partnership forum brings together a number of public bodies to share best practices and information in order to enhance the performance of units whose mandate is primarily focused on integrity. The forum participants include AMP, Bureau du commissaire au lobbyisme du Québec, the OIG, Commissaire à l'éthique et à la déontologie, Commission de la représentation électorale, Commission municipale du Québec, Protecteur du citoyen and UPAC. Its members met three times in 2023.



The public integrity partnership forum organized a half-day of presentations to raise awareness in the public sector of the importance of whistleblowers in the probity of Québec public organizations. The event took place on March 24 in Québec City as part of Whistleblower Awareness Day. Deputy Inspector General Michel Forget moderated a round table and presentation. Photo credit: OIG

### Board of Directors of the Association of Inspectors General

The Inspector General is very involved in her community. She was re-elected to the Board of Directors of the Association of Inspectors General and appointed to the Executive Committee.

Ms. Bishop is also now a member of the Governance, Regulatory Compliance and Ethics Committee of the Canadian Bar Association, Quebec Branch.



## Our budget and accountability

In 2023, the OIG's original budget was over \$6.9 million (\$6,945,800), or 0.11% of the City's total operating budget.

Expenditures totalled \$4.8 million (\$4,828,000), consisting of \$4 million (\$4,337,600) in salary expenditures and \$490,400 in non-salary expenditures.

The overall positive variance between expenditures and the original budget represents unspent amounts budgeted for

professional services. These amounts are reserved for non-recurring one-time projects and unforeseen circumstances. The unused amount is over \$2.1 million (\$2,117,800), or 30.5% of the original budget. This amount will be returned to the City's surplus.

The table below shows the original budget, total expenditures and the breakdown of expenditures in dollars and as percentages for the year ended December 31, 2023

In thousands of dollars:

<b>BUDGET</b>	6,945.80	100%
<b>EXPENDITURES</b>	4,828	69.5%
Salary expenditures	4,046.5	62.4%
Compensation and professional dues	4,046.5	62.4%
Non-salary expenditures	490.4	7.1%
Rental, maintenance and repair costs	39.3	0.6%
Technical and other services	94.5	1.4%
Durable and nondurable goods	124.1	1.8%
Professional fees	165.9	2.4%
Transport and communication	66.6	1.0%
<b>VARIANCE</b>	2,117.8	30.5%

## 2023–2026 strategic report: Our results for 2023

The Office of Inspector General's strategic plan got underway in 2023. In the first year of its implementation, the OIG undertook a series of achievements based on three key strategic choices that guide its actions, with specific objectives, until 2026.

These strategic choices fall into three main categories:

An office that focuses on its **PROXIMITY**, by strengthening its presence, thus optimizing its ability to respond to Montréal's reality

An office that acts **PROACTIVELY**, enhancing its operational programs to achieve its mission

An office that ensures the **SUSTAINABILITY** of its mission, consolidating its presence and maintaining its expertise

### STRATEGIC CHOICE 1

An OIG that focuses on its proximity.

#### Direction

Strengthen the OIG's presence by optimizing its ability to respond in a way that takes Montréal's reality into account

#### OBJECTIVE 1: FOSTER OUR INVOLVEMENT BEFORE CONTRACTS ARE AWARDED

Performance indicator	Target	2023 results
Draw up a call for tenders monitoring plan based on major projects, budgetary and strategic issues	Prepare a call for tenders monitoring plan	100% achieved: The plan was based on Ville de Montréal and Government of Quebec (SEAO) databases, enabling us to analyze 1,472 calls for tender.

#### OBJECTIVE 2: IMPROVE TRAINING AND PREVENTION ACTIVITIES

Performance indicators	Targets	2023 results
Number of training activities offered	Annual increase of 5%: Offer 105 training activities	100% achieved: 109 training activities were carried out.
Number of prevention activities	Annual increase of 5% or offer at least 10 prevention activities	100% achieved: 14 prevention activities were offered.

#### OBJECTIVE 3: ENHANCE THE MENTORSHIP PROGRAM

Performance indicator	Target	2023 results
Formalize the mentorship program	The official document describing the mentorship program will be submitted in February 2024.	80% achieved: Document under review for adoption in February 2024.

## STRATEGIC CHOICE 2

An OIG that operates proactively.

### Direction

Enhance our operational programs to achieve our mission

#### OBJECTIVE 1: ENHANCE THE CAPACITY TO MONITOR CONTRACT PERFORMANCE

Performance indicator	Target	2023 results
Set up a working committee with parameters for worksite monitoring and progress tracking	Define the committee's parameters and objectives and the start of its activities	80% achieved: Committee set up and activities started.

#### OBJECTIVE 2: REVIEW AND IMPROVE OUR INVESTIGATIVE PROCESSES

Performance indicator	Target	2023 results
Number of investigative processes assessed	2 processes assessed annually per unit	100% achieved

#### OBJECTIVE 3: OPTIMIZE DATABASE USE AND INFORMATION MANAGEMENT

Performance indicators	Targets	2023 results
Number of summaries produced	2023 will be used to establish our quantitative baseline	100% achieved
Number of analyses carried out or investigations generated (background file or market analysis)	2 analyses or investigations per year	100% achieved: Two background files were produced (sidewalks, play modules).

### STRATEGIC CHOICE 3

An OIG that ensures the sustainability of its mission.

#### Direction

Strengthen the presence of the OIG's expertise

#### OBJECTIVE 1: FOSTER THE DEVELOPMENT AND MAINTENANCE OF OUR STAFF'S EXPERTISE

Performance indicator	Target	2023 results
Develop a skill development plan for each employee	2023 will be used to establish our baseline, our development plan templates and a procedure.  For each subsequent year, 75% of OIG employees will have a skill development plan.	75% achieved: A number of training courses were taken, and meetings were set up with staff to assess their training needs.

#### OBJECTIVE 2: INCREASE THE OUTREACH OF THE OIG

Performance indicator	Target	2023 results
Number of outreach activities	Annual increase of 5%	100% achieved: 12 speaking engagements and three videos on worksite monitoring on LinkedIn.

#### OBJECTIVE 3: REVIEW THE TRAINING PROGRAM

Performance indicator	Target	2023 results
Number of training activities revised or adjusted	1 training course revised per year	100% achieved: Three training courses were updated, and training courses were adjusted for municipal organizations and UPAC.

Filed with City Council and  
the Agglomeration Council

for the year ended  
December 31, 2023

Section 57.1.23  
*of the Charter of Ville de Montréal,  
metropolis of Québec*



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