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**Subject:** Procedures – Corporate Identity (Process)

**Report to:** Procurement Advisory Committee

**Report date:** Monday, November 18, 2019

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## **Recommendations**

That Report PAC-C 5-2019 **BE RECEIVED** for information.

## **Key Facts**

- This report provides response to a Councillor Information Request (CIR) at the March 11, 2019 Procurement Advisory Committee which directed staff to provide a report outlining procedures to examine the legitimacy of corporate identity for future providers for implementation in the procurement procedures.
- Staff have interpreted this CIR as being a request as to how/when we verify that corporate entities are active/valid, and further, the committee is seeking assurances that Staff do make appropriate enquiries to confirm the validity of corporations prior to entering into agreements with them.

## **Financial Considerations**

At the time our account was opened with our current provider “ecore – powered by Oncorp” (formerly Dye and Durham), funds were deposited to be used for the purpose of conducting Corporate Searches. The posted current rate for a standard search for an Ontario corporation is \$14.75 + HST plus an additional \$8.00 Government Fee which is not taxed. A monthly reconciliation is done by Legal staff to replenish the amount used each month, and the cost of each search is allocated to the appropriate department requesting the search. The total YTD remittance paid to ecore from January 1 to August 31, 2019 is \$2494.92

## **Analysis**

Ecore ([eCore Website for searches](#)) is a full service provider where Staff in Legal and Court Services can perform corporate searches for provincial, federal, business names, etc. Federal searches can also be conducted for free on Industry Canada’s website ([Government of Canada website for searches](#)), however this website does not provide the same detail.

Niagara Region performs either a “corporate search” (for corporations) or a “business name search” (for other entities such as sole proprietorships, partnerships, operating names etc.). The nature of the search may also depend on the jurisdiction the entity is

registered in e.g. Ontario or otherwise in Canada. While Niagara Region has presumably been utilizing Corporate Search Services for longer, Staff have confirmed that our current arrangement with ecore to provide these services has been in place since December 2007. Any and all requests are managed through Legal. The search provider is essentially providing information based on filings with the applicable Ministry etc. The potential challenge is if the entity is not up to date, the information Niagara Region obtains from the search may not be up to date either.

Legal Services conducts Corporate Searches for all formally procured processes when contracts with successful bidders require review and approval by Legal prior to execution by Niagara Region. Currently searches are not performed when formal agreements are not required, such as payments to a single source vendor or payments made by way of a Purchase Order.

All formal and informal processes initiated by Niagara Region utilize either the procurement templates obtained from the Procurement Office or Niagara Peninsula Standard Contract Document (NPSCD) and require Bidders to provide their full legal name and return address. Individuals signing the commitment forms are required to confirm that they have the authority to bind the company. With the NPSCD documents, they must also confirm that if they are a Corporation, and the corporate seal must be affixed under the signature of a duly authorized officer or officers of the Corporation. If they are not a Corporation or a Partnership, the Bidder must sign in the presence of a witness who must also sign. If the Bidder is a Partnership, each member of the Partnership must sign in the presence of a witness who must also sign.

The current process is to consult a listing to see if a corporate search has been carried out within the past 12 month period, and if so, an updated search is not required and Staff utilize that search result for the contract award. If no search has been done in the past, or the search is more than a year old, then Staff coordinate with Legal and Court Services to request that a new search be undertaken and provide the requisite project ID/accounting info as these costs are expensed to the project.

Procurement has confirmed that Bids and Tenders, (Niagara Region's web portal for posting procurement opportunities) does require suppliers to provide their legal company name when they create an account. Bids and Tenders does not validate these names against any government records, hence why Niagara Region's practice of conducting Corporate Searches remains a necessary requirement. Should Niagara Region identify a Supplier that has failed to provide their legal name, we are able to request that the supplier provide this updated information to Bids and Tenders.

## **Alternatives Reviewed**

Staff have identified other providers of like services which could be considered however Staff would recommend further investigation into these options to confirm that the same

services are being offered prior to proposing any changes to our provider for Corporate Searches.

### **Relationship to Council Strategic Priorities**

While Procurement & Strategic Acquisitions and its related activities align with many of Council's 2019-2022 Strategic Priorities, this report best aligns with Sustainable and Engaging Government, specifically objective 4.1: High Quality, Efficient and Coordinate Core Services which promote an organizational culture that values continuous improvement, collaboration, and innovation.

### **Other Pertinent Reports**

N/A

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### **Appendices**

N/A