Information and Privacy Commissioner, Ontario, Canada



Commissaire à l'information et à la protection de la vie privée, Ontario, Canada

ORDER MO-4448

Appeal MA21-00347

Town of Pelham

October 11, 2023

Summary: The Town of Pelham (the town) received a request for access to information under the *Municipal Freedom of Information and Protection of Privacy Act* (the *Act*) for access to records relating to contracts with specified media organizations. The town granted partial access to invoices and emails, but withheld portions under section 10(1) (third party information) and section 11 (economic and other interests) of the *Act*.

In this order, the adjudicator allows the appeal in part. He finds that emails related to pricing information are exempt from disclosure, but finds that invoices provided by the media organizations to the town are not and orders them disclosed.

Statutes Considered: *Municipal Freedom of Information and Protection of Privacy Act*, ss. 10(1) and 11.

Orders Considered: MO-3058-F, PO-2632, and MO-2363.

OVERVIEW:

[1] The Town of Pelham (the town) received a request for access to information under the *Municipal Freedom of Information and Protection of Privacy Act* (the *Act*). The request was for access to the following:

Contracts or agreements between Pelham and [specified newspapers], including invoices. Also any similar documents for other media organizations from Jan 2019 to present.

- [2] The town issued a decision granting partial access to responsive records, denying access to the withheld information pursuant to the exemptions in sections 10(1)(a) and (c) (third party information) and 11(c) and (d) (economic and other interests) of the *Act*. The requester (now the appellant) appealed the town's decision to the Information and Privacy Commissioner of Ontario (IPC).
- [3] During mediation, the town notified two third parties whose interests might be affected by disclosure of the records (the affected parties). One affected party did not consent to the disclosure of information relating to it, while another did not respond to the town's notification. The appellant indicated that one specified newspaper (that the town had not notified) was no longer part of his request, but he continued to seek access to the remaining records at issue related to the two affected parties that were notified. The town maintained its decision to deny access to the withheld information.
- [4] No further mediation was possible and the appeal was transferred to the adjudication stage of the appeals process, where an adjudicator may conduct an inquiry. The adjudicator initially assigned to the appeal sought and received representations from the town and two affected parties. I was then assigned to the appeal and I sought and received representations from the appellant. Representations were shared in accordance with the IPC's *Code of Procedure*.
- [5] For the reasons that follow, I partially allow the appeal. I find that the withheld information in the invoices is not exempt from disclosure and order it disclosed. I find that the withheld information in the emails about pricing is exempt from disclosure.

RECORDS:

[6] The records at issue were identified in an index of records attached to the town's access decision. They are set out in the below table.

Record number	Description
1	2019 (affected party 1) invoices (5 pages)
2	2019 (affected party 2) invoices (72 pages)
3	2020 (affected party 1) invoices (14 pages)
4	2020 (affected party 2) invoices (70 pages)
5	2021 (affected party 2) invoices (33 pages)
6	Emails about pricing (15 pages)

[7] In all cases, the records were partially disclosed to the appellant, with information withheld pursuant to sections 10(1)(a) and (c) and (d) of the *Act*.

ISSUES:

- A. Do the mandatory exemptions at sections 10(1)(a) or (c) for third party information apply to the withheld portions of the records at issue?
- B. Do the discretionary exemptions at sections 11(a), (c) or (d) for economic and other interests of the institution apply to the withheld portions of the records at issue?

DISCUSSION:

Issue A: Do the mandatory exemption at sections 10(1)(a) or (c) for third party information apply to the records at issue?

- [8] The town and affected parties claim the application of sections 10(1)(a) and (c) to the withheld portions of the records at issue.
- [9] The purpose of section 10(1) is to protect certain confidential information that businesses or other organizations provide to government institutions, where specific harms can reasonably be expected to result from its disclosure.
- [10] Section 10(1) states, in part:

A head shall refuse to disclose a record that reveals a trade secret or scientific, technical, commercial, financial or labour relations information, supplied in confidence implicitly or explicitly, if the disclosure could reasonably be expected to,

- (a) prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons, or organization;
- (c) result in undue loss or gain to any person, group, committee or financial institution or agency; or
- [11] For section 10(1) to apply, the town and affected parties must satisfy each part of the following three-part test:
 - 1. the record must reveal information that is a trade secret or scientific, technical, commercial, financial or labour relations information;

_

¹ Boeing Co. v. Ontario (Ministry of Economic Development and Trade), [2005] O.J. No. 2851 (Div. Ct.)], leave to appeal dismissed, Doc. M32858 (C.A.) (Boeing Co.).

² Orders PO-1805, PO-2018, PO-2184 and MO-1706.

- 2. the information must have been supplied to the institution in confidence, either implicitly or explicitly; and
- 3. the prospect of disclosure of the record must give rise to a reasonable expectation that one of the harms specified in paragraph (a), (b), (c) and/or (d) of section 10(1) will occur.

Part 1: Type of information

[12] As noted above, to satisfy part one of the section 10(1) test, the town or the affected party must show that the records contain information that is a trade secret or scientific, technical, commercial, financial or labour relations information.

Representations, analysis and finding

- [13] The town submits that the withheld portions of the records contain commercial and financial information, and the affected parties adopt this position. The town submits that proposed costs to provide an advertising service, rates charged for advertising, and advertising revenues all constitute commercial and financial information. The appellant did not dispute the position of the town and affected parties.
- [14] Previous IPC orders have found that information related to the buying, selling, or exchange of merchandise or services qualifies as commercial information, while financial information has been found to be information related to money and its use or distribution.³ As the town explained in their representations, the invoices and emails at issue relate to the town buying advertising services from the affected parties and contain information about pricing practices. Based on the representations and my review of the records, I find that the withheld portions of the records contain both financial and commercial information.

Part 2: supplied in confidence

- [15] Part two of the three-part test itself has two parts: the affected party must have "supplied" the information to the town, and must have done so "in confidence", either implicitly or explicitly. Where information was not supplied to the town by the affected party, section 10(1) does not apply, and there is no need for me to decide whether the "in confidence" element of part two of the test is met.
- [16] The requirement that the information was "supplied" to the institution reflects the purpose in section 10(1) of protecting the informational assets of third parties.⁴
- [17] Information may qualify as "supplied" if it was directly supplied to an institution by a third party, or where its disclosure would reveal or permit the drawing of accurate

-

³ See, for example, Order PO-2010.

⁴ Order PO-2010.

inferences with respect to information supplied by a third party.⁵

- [18] The contents of a contract involving an institution and a third party will not normally qualify as having been "supplied" for the purpose of section 10(1). The provisions of a contract, in general, have been treated as mutually generated, rather than "supplied" for the purpose of section 10(1). Past IPC orders have, in general, treated the provisions of a contract as mutually generated, rather than "supplied" by the third party, even where the contract is preceded by little or no negotiation or where the final agreement reflects information that originated from a single party. This approach was approved by the Divisional Court in *Boeing Co. v. Ontario (Ministry of Economic Development and Trade)*.6
- [19] There are two exceptions to this general rule, which are described as the "inferred disclosure" and "immutability" exceptions. The "inferred disclosure" exception applies where disclosure of the information in a contract would permit accurate inferences to be made with respect to underlying non-negotiated confidential information that the affected party supplied to the institution. The "immutability" exception applies to information that is immutable or is not susceptible to change.⁷
- [20] In order to satisfy the "in confidence" component of part two, the party resisting disclosure must establish that, as the supplier of the information, it had a reasonable expectation of confidentiality, implicit or explicit, at the time the information was provided. This expectation must have an objective basis.⁸
- [21] In determining whether an expectation of confidentiality is based on reasonable and objective grounds, all the circumstances of the case must be considered, including whether the information was:
 - communicated to the institution on the basis that it was confidential and that it was to be kept confidential,
 - treated consistently by the third party in a manner that indicates a concern for confidentiality,
 - not otherwise disclosed or available from sources to which the public has access, and
 - prepared for a purpose that would not entail disclosure.⁹

⁵ Orders PO-2020 and PO-2043.

⁶ [2005] O.J. No. 2851 (Div. Ct.), leave to appeal dismissed. Doc. M32858 (C.A.) (*Boeing Co.*).

⁷ Orders MO-1706, PO-2384, PO-2435 and PO-2497 upheld in *Canadian Medical Protective Association v. Loukidelis*.

⁸ Order PO-2020.

⁹ Orders PO-2043, PO-2371 and PO-2497, *Canadian Medical Protective Association v. Loukidelis*, 2008 CanLII 45005 (ON SCDC); 298 DLR (4th) 134; 88 Admin LR (4th) 68; 241 OAC 346.

Representations on supplied

- [22] The town submits that the affected parties provided pricing information directly to them in proposals, quotations, and invoices, and that this means the information was supplied to the town. Neither affected party provided specific representations on whether the information was supplied for the purposes of section 10(1), although they both objected to disclosure of the records.
- [23] The appellant submits that the information at issue was not supplied within the meaning of section 10(1) as it was contained in contracts and was therefore mutually generated. He cites Order MO-4135 in support of his position.

Analysis and finding on the invoices being supplied

- [24] Previous IPC orders have found that pricing information in an invoice that a third party provides to an institution cannot be considered to have been "supplied" for the purposes of section 10(1) if such information was mutually agreed upon and arises from a contract negotiated between the parties. Here, the records at issue consist of invoices related to advertising services and emails about pricing related to those services. With respect to the invoices, it is clear that the commercial and financial information that was withheld pursuant to section 10(1) was mutually generated. Although the invoices are not contracts themselves, they contain information that would have been mutually agreed to by the town and the affected parties. Additionally, it is clear that neither the inferred disclosure or immutability exceptions apply to the invoices. Therefore, I find that the invoices were not supplied by the affected parties to the town.
- [25] Because the invoices were not supplied but were mutually generated, part two of the test under section 10(1) has not been met, and the exemption does not apply. It is therefore not necessary for me to consider whether part 3 of the section 10(1) test applies to the withheld information in the invoices.

Analysis and finding on the emails being supplied

- [26] Based on my review of the records, the withheld portions of record 6 (emails about pricing) do not arise from a mutually generated agreement. Instead, they represent proposals from the affected parties regarding the prices charged for advertising services.
- [27] In Order MO-3058-F, the adjudicator considered whether the contents of a winning proposal were supplied to an institution, noting that in some previous orders such information was found to be mutually generated where the terms of the proposal were incorporated into a contract between a third party and an institution. However, she distinguished the matter before her from these orders by explaining that while

¹⁰ See, for example, Orders PO-2806, MO-3258, PO-3638, MO-3372, and MO-4316.

some of the terms proposed by the winning bidder may have been included in the institution's contract with the party, the subsequent incorporation of those terms into a contract does not serve to transform the proposal, in its original form, from information "supplied" to the institution into a "mutually generated" contract.

[28] I find that the above analysis can be applied to this appeal. The fact that the pricing information in the emails may have later formed part of the contract does not mean that it was mutually generated, even if the subsequent contracts were. Prior to the advertising contracts being agreed to by the involved parties, the prices offered by the affected parties in the emails were something that the town could accept, reject, or negotiate. Accordingly, I find that the information in the emails was not mutually generated, and was supplied for the purposes of section 10(1).

Representations, analysis, and finding on the emails being supplied in confidence

- [29] Having found that the withheld information in the emails was supplied for the purposes of section 10(1), I must consider if it was done so in confidence. The town referenced Order MO-3266-F, where the adjudicator found that information that goes to the root of a proposal to provide a service and describes the pricing practices of an organization gives rise to a reasonable expectation of confidentiality.
- [30] The town submits that the withheld information in the emails is not available to the public from other sources, and neither of the affected parties had any expectation that it would be disclosed. They also note that the invoices from one of the affected parties state that they "may contain privileged, proprietary or otherwise private information." They submit that these factors indicate that the affected parties had a reasonable expectation that information supplied to the town would be treated as confidential.
- [31] One affected party states that the information at issue was provided in confidence, but did not provide further submissions on the expectation of confidentiality. The appellant and the other affected party also did not provide specific representations on the expectation of confidentiality.
- [32] I agree with the town's submission that the IPC has previously found that pricing information related to services provided to an organization was generally provided with an expectation of confidentiality. In this case, I find that the information in the emails not otherwise being publicly available and the confidentiality statements in the email chains establish that the information was supplied with a reasonable expectation of confidentiality. This is supported by the stated objections to disclosure of the affected parties. As such, I find that the withheld information in the emails was supplied in confidence by the affected parties to the town.

Part 3: harms

[33] Having found that parts one and two of the test have been met, I must

determine if there is a reasonable expectation that one of the harms specified in paragraph (a) or (c) of section 10(1) will occur. Parties resisting disclosure of a record cannot simply assert that the harms under section 10(1) are obvious based on the record. They must provide detailed evidence about the risk of harm if the record is disclosed. While harm can sometimes be inferred from the records themselves or the surrounding circumstances, parties should not assume that the harms under section 10(1) are self-evident and can be proven simply by repeating the description of harms in the Act. 11

[34] Sections 10(1)(a) and (c) seek to protect information that could be exploited in the marketplace. Parties resisting disclosure must show that the risk of harm is real and not just a possibility. However, they do not have to prove that disclosure will in fact result in harm. How much and what kind of evidence is needed to establish the harm depends on the context of the request and the seriousness of the consequences of disclosing the information. An arm of the request and the seriousness of the consequences of disclosing the information.

[35] In applying section 10(1) to government contracts, the need for accountability in how public funds are spent is an important reason behind the need for detailed evidence to support the harms outlined in section 10(1).¹⁵

Representations

[36] The town, referring to the entirety of the withheld information, rather than just the emails, submits that information about pricing practices, proposed pricing structures, customer lists, and financial information, all of which are otherwise unavailable to competitors, can easily be exploited in the marketplace, particularly in small or competitive industries. They submit that competitors with this information could use such information to undercut the affected parties' negotiations with existing or future clients. They state that disclosure of the information could result in prejudice to the competitive position of the affected parties and undue loss, and note that the affected parties did not consent to the release of the information.

[37] Neither affected party provided representations on the specific harms that would result from disclosure of the withheld information, other than stating that disclosure would harm their competitive position. The appellant submits that no proof of harm has been provided by the town or the affected parties, and that any resulting harm is speculative.

¹¹ Orders MO-2363 and PO-2435.

¹² Orders PO-1805, PO-2018, PO-2184 and MO-1706.

¹³ Merck Frosst Canada Ltd. v. Canada (Health), [2012] 1 S.C.R. 23.

¹⁴ Ontario (Community Safety and Correctional Services) v. Ontario (Information and Privacy Commissioner), 2014 SCC 31 (CanLII) at paras. 52-4; Accenture Inc. v. Ontario (Information and Privacy Commissioner), 2016 ONSC 1616.

¹⁵ Order PO-2435.

¹⁶ The town referenced Order MO-1513 at p. 6-7; Order MO-3266-F at paras. 30-33; Order MO-3019 at para. 42

Analysis and finding

- [38] Previous orders have found that the fact that disclosure of information may lead to a more competitive bidding process for future contracts, does not, in and of itself, significantly prejudice an affected party's competitive position or result in undue harm.¹⁷ I agree that the disclosure of information related to overall prices paid for government contracts is not, on its own, sufficient to establish the harms contemplated by sections 10(1)(a) and (c). However, as the town submitted, previous orders have found that the expectation of harm following disclosure of unit prices and other specific pricing information will satisfy part three of the section 10(1) test. 18
- [39] The withheld information in the emails relates to not only the overall prices that the affected parties charge for advertising services, but also information about the specific prices of different services that the affected parties offer. Additionally, disclosure of the emails would also reveal general information about how the affected parties negotiate contracts.
- [40] Considering the specificity of the information, I agree with the town's submission that disclosure of the withheld information in the emails would harm the competitive position of the affected parties. I also find that the disclosure of the withheld information could reasonably be expected to result in an undue loss to the affected parties. Accordingly, I find that the emails are exempt from disclosure under sections 10(1)(a) and (c).

Public interest override

- [41] In his representations, the appellant raised the public interest override in section 16 of the Act. This was not raised earlier in the appeal, but I have considered its application to the emails being exempt from disclosure. The appellant states that there is a compelling interest in the public knowing the withheld information. He states that the relationship between government and media is fundamental tenet of democracy and citizens have the right to understand this relationship to the fullest extent possible.
- He states that the public can only evaluate government conduct and hold it accountable if it has access to information, and says that there are presently questions regarding the nature of the relationship between the town and the media. As such, he submits that the public interest override should apply and the withheld records should be disclosed.
- [43] The *Act* does not state who bears the onus to show that section 16 applies. The IPC will review the records with a view to determining whether there could be a compelling public interest in disclosure that clearly outweighs the purpose of the

¹⁷ See, for example, Order PO-2435.

¹⁸ See, for example, IPC Orders P-610, PO-1932, and MO-3705.

exemption.19

- [44] I appreciate the appellant's position regarding the importance of holding government accountable and the role that access to information plays in this. However, I am not satisfied that the appellant has demonstrated that the public interest override is applicable in this appeal.
- [45] For section 16 to apply, there must be a compelling public interest in disclosure of the records and this interest must clearly outweigh the purpose of the exemption. The IPC has defined the word "compelling" as "rousing strong interest or attention". ²⁰ A compelling public interest has been found to exist where, for example, the integrity of the criminal justice system is in question. ²¹ Other examples include situations where disclosure would shed light on the safe operation of petrochemical facilities or the province's ability to prepare for a nuclear emergency. ²³
- [46] In order for the public interest override to apply, there must be more than a general public interest in accountability. Even if the appellant has a legitimate reason for seeking the information, this alone is not sufficient to negate the need to provide limited, specific exemptions to disclosure to protect the privacy of those who provide information to the government. This is particularly true when a significant amount of information has already been disclosed following a request.²⁴
- [47] Considering the records at issue, the purpose of the exemption, and the representations of the appellant, I am not persuaded that the withheld information in the emails should be disclosed in spite of the section 10 exemption. As such, I maintain that the emails are exempt from disclosure under section 10(1)(a) and (c).

Issue B: Do the discretionary exemptions at sections 11(a), (c) or (d) for economic and other interests of the institution apply to the withheld portions of the records at issue?

- [48] Since I have found that the invoices are not exempt from disclosure under section 10(1), I must consider if they are exempt under section 11. As I have found that the emails are exempt from disclosure under section 10(1), I will not consider the application of section 11 to them.
- [49] The town initially claimed sections 11(c) and (d) in their decision letter to the appellant. However, in their representations, they also claimed the application of section 11(a). For the reasons that follow, I find that none of these exemptions apply to

²⁰ Order P-984.

¹⁹ Order P-244.

²¹ Order PO-1779.

²² Order P-1175.

²³ Order P-901.

²⁴ Orders P-532, P-568, PO-2626, PO-2472 and PO-2614.

the remaining records at issue.

- [50] The purpose of section 11 is to protect certain economic and other interests of institutions. It also recognizes that an institution's own commercially valuable information should be protected to the same extent as that of non-governmental organizations.²⁵
- [51] Sections 11(a), (c) and (d) of the *Act* state:

A head may refuse to disclose a record that contains,

(a) trade secrets or financial, commercial, scientific or technical information that belongs to an institution and has monetary value or potential monetary value;

...

- (c) information whose disclosure could reasonably be expected to prejudice the economic interests of an institution or the competitive position of an institution;
- (d) information whose disclosure could reasonably be expected to be injurious to the financial interests of an institution;

Section 11(a): information belonging to the town with monetary value

- [52] The purpose of this section is to permit an institution to refuse to disclose information where its disclosure would deprive the institution of its monetary value.²⁶
- [53] For section 11(a) to apply, the institution must show that the information:
 - 1. is a trade secret, or financial, commercial, scientific or technical information,
 - 2. belongs to an institution, and
 - 3. has monetary value or potential monetary value.

Representations, analysis, and finding

[54] Although the town did not claim this exemption in their decision letter to the appellant, they provided submissions on it in their representations. They submit that the records at issue contain financial information about the use of money by the town to buy advertising services, including rates that were developed based on business

²⁵ Public Government for Private People: The Report of the Commission on Freedom of Information and Individual Privacy 1980, vol. 2 (the Williams Commission Report) Toronto: Queen's Printer, 1980. ²⁶ Orders M-654 and PO-2226.

volume. They submit that this is commercial and financial information belonging to the town. They state they can maximize value for their ratepayers by negotiating favourable rates with third parties, and information about those rates has monetary value to the town that will be lost if the information is disclosed.

- [55] The appellant and affected parties did not provide representations on the application of section 11(a).
- [56] Considering the town's representations and the withheld portions of the invoices, I find that the withheld portions of the invoices are not exempt under section 11(a). As I found with part one of the section 10(1) test, I accept the town's submission that the records contain financial and commercial information. However, I am not persuaded by the town's submissions that the information in the records belongs to the town in the manner contemplated by section 11(a).
- [57] The type of information "belonging" to an institution is information that has monetary value to the institution because it has spent money, skill or effort to develop it. Some examples are trade secrets, business-to-business mailing lists, customer or supplier lists, price lists, or other types of confidential business information. ²⁷
- [58] While I acknowledge the town's submission that they expended effort to negotiate prices with the affected parties, it is not the case that this is sufficient to exempt a record from disclosure under section 11(a). In Order PO-2632 the adjudicator found that information produced through negotiations and included in mutually-generated agreements does not belong to an institution for the purposes of section 18(1)(a) (the provincial equivalent of section 11(a)). I make the same finding here. Considering that the withheld information in the invoices is the direct result of negotiations between the town and the affected parties, they are not the type of information that belongs to the town for the purposes of section 11(a) and they are not exempt from disclosure.

Sections 11(c) and (d): prejudice to economic interests or competitive position and injury to financial interests

[59] The purpose of section 11(c) is to protect the ability of institutions to earn money in the marketplace. It recognizes that institutions may have economic interests and compete for business with other public or private sector entities, and it provides discretion to refuse to disclose information on the basis of a reasonable expectation of prejudice to these economic interests or competitive positions.²⁸

Representations, analysis, and finding

[60] The town submits that the town's economic interests are served by promoting

²⁷ Order P-636.

²⁸ Orders P-1190 and MO-2233.

municipal activities and events, including advertising them in local publications. They also state that these interests are served by maintaining a strong working relationship with the affected parties. They submit that disclosure of the withheld information could impact this relationship and affect the third parties' competitive position, as described in their section 10(1) submissions. They state that disclosing the withheld information could reasonably be expected to injure the town's financial interest as well, but they did not provide further details.

- [61] The affected parties did not provide representations on section 11(c) or (d). The appellant submits that there is a need for public accountability in the expenditure of public funds, and submits that this establishes the need for detailed and convincing evidence supporting the harms outlined in section 11.²⁹ He further submits that the fact that the fact that individuals or corporations doing business with an institution may be subject to a more competitive bidding process as a result of the disclosure of their contractual arrangements does not prejudice the institution's economic interests, competitive position, or financial interests.³⁰
- [62] I have carefully reviewed the representations of the parties and the records remaining at issue, and I find that the withheld information in the invoices is not exempt under sections 11(c) or (d). As described in the section 10 analysis, the withheld information in the invoices consist of pricing information directly derived from negotiated contracts. While the town has asserted that their working relationships with the affected parties would be affected by disclosure of this information and harm their financial interest, they have provided little evidence of what this impact would be or how it would occur.
- [63] As the appellant submits, previous orders have found that a more competitive bidding process following disclosure is not sufficient to establish the harms required by sections 11(c) and (d). In Order MO-2363, former Commissioner Brian Beamish explained that the need for public accountability in the expenditure of public funds is an important reason for "detailed and convincing" evidence to support the harms outlined in section 11. Without access to financial details contained in these contracts, there would be no meaningful way to engage in effective public scrutiny. Here, having considered all of the evidence submitted by the town, there is no reasonable basis to conclude that the harms in sections 11(c) or (d) will arise if the withheld information in the invoices is disclosed.

ORDER:

1. I uphold the town's decision to withhold the information in the emails about pricing (record 6).

²⁹ The appellant referenced Orders MO-1947 and MO-2363 in his submissions.

³⁰ The appellant references Orders MO-2363 and PO-2758 in his submissions.

- 2. I order the town to disclose the withheld information in the invoices (records 1 to 5) by November 15, 2023, but not before November 10, 2023.
- 3. In order to ensure compliance with Order provision 2, I reserve the right to require the town to provide me copies of the records it discloses to the appellant.

Original Signed By:	October 11, 2023
Chris Anzenberger	
Adjudicator	