



Staff Report

To: Dan Best, Chief Administrative Officer

From: Sandy Becker, Financial Services Manager/Treasurer

Date: May 15, 2017

Report: FIN.17.11

Subject: Procurement of Goods and Services Policy Revision

Recommendation:

That South Huron Council receives the report from S. Becker, Financial Services Manager/Treasurer re: Procurement of Goods and Services Policy Revision;

And that South Huron Council approves the revised procurement of goods and services policy dated April 28, 2017;

And that South Huron Council authorizes the preparation of a bylaw to adopt the revised procurement of goods and services policy dated April 28, 2017.

Purpose:

The purpose of this staff report is to provide Council with an overview of the revisions made to the municipal procurement policy.

Background and Analysis:

The Municipal Act, 2001, Part VI, Section 270, as amended, requires municipalities to adopt and maintain a policy with respect to the

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procurement of goods and services. The municipality adopted Procurement Policy on December 20, 2014 (By-law #69-2004). The policy has since been revised in 2009 (By-law #46-2009) and 2013 (By-law 32-2013) respectively.

As part of the 2016 review, staff have incorporated a significant number of changes to include;

- compliance with various legislation (CETA, AODA, DWQMS),
- stronger and improved clarity on controls
- corporate wide consistency and purchasing process efficiencies

Summary of changes

Purchasing Authority

- only staff who have been delegated in writing by the Department Head and has received written approval of the Treasurer and the CAO may make any purchases
- purchases between \$10,000 and \$25,000 will now require a purchase requisition form to be completed and signed off by the CAO and Treasurer prior to the purchase
- Single Source Purchases and Sole Source Purchases includes the requirement of the completion and approval of justification form (appendix F) prior to purchase
- Appendix D provides a chart on purchasing methods, values, purchasing authority, and approval requirements per method

Trade Agreements

- Section 7 is included to ensure compliance with trade agreements such as CETA

Drinking Water Quality Management Standard (DWQMS)

- Section 8 is included as part of the DWQMS

Advertising and Bid Solicitations

- Section 9 has been broadened to ensure that there is consistent method of advertising corporate wide and to identify the corporate website as the official location for bids

Methods of purchasing has been expanded to include;

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- clause in regards to Province of Ontario's Broader Public Sector procurement directive
- Request for Expressions of Interest (section 12)
- Sole Source purchasing method (section 18)
- Special Circumstances method (section 19) – was referred to as Emergency purchases in previous bylaw. Definition provides more detailed description of what is applicable under this purchase.
- Negotiation method (section 20) – clause provides clarification when negotiation method may be used
- Finance Leasing (section 23 and Appendix C) – clause provides the municipality the option of entering into leasing where there are economic advantages to the corporation to do so. Appendix C provides the parameters for evaluating the use of this method, including reporting requirements

Dispute Resolution

- Section 30 outlines process to suppliers who believe they have been treated unfairly in a bid solicitation process

Access to Information

- Section 32 provides information on the disclosure of information received relevant to bid solicitations or awards

Conflict of Interest

- Section 35 outlines conflicts of interest for elected officials, employees and their families in purchasing, bids and acceptance of gifts.

Policy Review

- Section 37 included to define when policy must be reviewed at a minimum

Enquiries

- Section 38 defines where enquiries related to the policy should be directed

Appendix B

- Table to clearly define actions to be taken in regards to bid irregularities

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Operational Considerations:

As this report is being presented for information purposes only, no alternatives are presented.

South Huron's Strategic Plan:

Section 6.2.2 of the Municipality of South Huron 2015- 2019 Strategic Plan identifies key priorities and strategic directions. The following elements are supported by the actions outlined in this report:

- ✓ Administrative Efficiency and Fiscal Responsibility
- ✓ Transparent, Accountable, and Collaborative Governance

Financial Impact:

There are no financial implications for the Corporation resulting from the proposed recommendation.

Legal Impact:

There are no legal implications for the Corporation resulting from the proposed recommendation.

Staffing Impact:

There are no staffing implications for the Corporation resulting from the proposed recommendation.

Policies/Legislation:

Municipal Act, 2001, Part VI, Section 270
By-Law 32-2013–Policy to Govern the Purchasing of Goods and Services

Consultation:

The Senior Management Team was consulted on the revisions to the policy.

Attachments:

Draft Procurement of Goods & Services Policy

Procurement of Goods and Services Policy Revision

Respectfully submitted,

Sandy Becker

Financial Services Manager/Treasurer

I concur with this report.

Dan Best MPA, BA

Chief Administrative Officer