



Staff Report

Report To: Rebekah Msuya-Collison, Chief Administrative Officer/Deputy Clerk

From: **Julia Warwick, Director of Financial Services/Treasurer**

Date: December 18 2023

Report: FIN24-2023

Subject: Procurement of Goods & Services Policy – Amendment to By-Law 09-2021

Recommendations:

That South Huron Council receives the report of J. Warwick, Director of Financial Services/Treasurer re Procurement of Goods & Services Policy; and

That Council approve the amendment to the Procurement of Goods & Services Policy as presented; and

That the draft By-law be provided to Council for the required three readings.

Purpose:

For approval of changes to the Procurement of Goods & Services Policy to increase the value limits prescribed in Appendix D.

Background and Analysis:

Council discussed a review of the Procurement of Goods & Services Policy (the Policy) adopted via By-Law #09-2021 following several reports to Council and tender awards throughout 2023. Staff noted that due to the depth of analysis required for a fulsome review of the Policy, staff would conduct a minor review of a select section (i.e. Appendix D) of the policy at this time and provide recommendations. Staff have the goal of completing a

more comprehensive review in 2024. The original schedule for the regular review of the Policy is February 16, 2025.

Staff have reviewed the appropriateness of Appendix D to the Procurement Policy which details Execution Authorities and the existing value limits. Despite reviews and updates to the Policy as a whole in the past, the value limits as prescribed in Appendix D have not been amended since 2013. Staff conducted a high-level comparison of South Huron's limits with similar and neighbouring municipalities and have concluded that South Huron's limits are on the low end of the spectrum. As such, staff are proposing an amendment to Appendix D, as attached, whereby the purchasing/execution authorities' value limits are increased. All associated value limits as described throughout the policy would also be amended to align with Appendix D.

Another component of South Huron's procurement practices that has been noted by council is the idea of local preference. During staff's review of other municipality's policies, it was noted that many included variations of the following statements:

The Municipality shall not give any local or geographical preference during the competitive bid process. The Municipality may mandate certain bona fide on-site response time requirements for specific situations.

Fair and Impartial Award Recommendations for All Contracts and Tenders. This means that we do not extend preferential treatment to any supplier, including local companies. Not only is it against the law, but it is also not good business practice, since it limits fair and open competition for all potential suppliers and is therefore a detriment to obtaining the best possible value for each tax dollar.

At this time and without consultation with legal counsel staff are not proposing any amendments to our existing Policy in regard to adding any statements of local preference. This will be part of the upcoming comprehensive review process.

Operational Considerations:

Alternative option is to receive this report for information purposes only and to conduct a thorough review of the Procurement Policy throughout 2024 ahead of the original review schedule.

Financial Impact:

There are no financial implications as a result of this report.

Legal Impact:

There are no legal implications as a result of this report.

Staffing Impact:

There are no staffing implications as a result of this report.

Communication Actions:

If approved, Financial Services staff will work with all internal departments on this initiative and ensure staff understand the policy requirements.

The updated Policy will be made available to the public in accessible format via the Municipal website.

Policies/Legislation:

Municipal Act, S.O. 2001, c. 25, Section 270 (1)
By-Law 09-2021 - Procurement of Goods & Services Policy

Consultation:

Rebekah Msuya-Collison, Chief Administrative Officer/Deputy Clerk

Related Documents:

Attachment: FIN24-2023 - Procurement of Goods & Services Policy – Proposed Revisions

Respectfully submitted,

Julia Warwick, Director of Financial Services/Treasurer

Report Approval Details

Document Title:	FIN24-2023 - Procurement of Goods and Services Policy - Amendment to By-Law 09-2021.docx
Attachments:	- FIN24-2023 - Procurement of Goods and Services Policy - Proposed Revisions.docx
Final Approval Date:	Dec 14, 2023

This report and all of its attachments were approved and signed as outlined below:

Rebekah Msuya-Collison - Dec 14, 2023 - 1:26 PM