



Staff Report

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Report To:	Audit and Accountability Committee		
Date of Meeting:	June 29, 2021	Report Number:	FSD-036-21
Submitted By:	Trevor Pinn, Director of Financial Services/Treasurer		
Reviewed By:	Andrew C. Allison, CAO	Resolution#:	
File Number:	[If applicable, enter File Number]	By-law Number:	
Report Subject:	Purchasing By-law Review 2021		

Recommendations:

1. That Report FSD-036-21 be received;
2. That the updated By-law attached to this Report (Attachment 1) be passed; and
3. That all interested parties listed in Report FSD-036-21 and any delegations be advised of Council's decision.

Report Overview

To request authorization from Council to update the Purchasing By-law No. 2015-022.

1. Background

- 1.1 At its meeting held on, [March 9, 2015](#) General passed resolution #GPA-191-15 adopting the revised Purchasing By-law designed to meet departmental requirements and operational needs while ensuring effective controls. As a requirement of the Purchasing By-law, the Purchasing Manager is required to undertake a comprehensive review of the Purchasing By-law every five years. The proposed updated By-law (Attachment 1) repeals the existing [By-law 2015-022](#).
- 1.2 The Purchasing By-law outlines the authority for the procurement of goods and services, including the following:
 - The authority and duties of the Purchasing Manager
 - The process for bid solicitation and awarding of contracts
 - The conditions under which goods and services can be sourced without a competitive process
 - Purchasing limits and delegation of authority
 - Compliance
 - Pricing/cost

2. Review Process

- 2.1 The Director of Financial Services/Treasurer and Staff from the Purchasing Services Division established a working team to review and discuss revisions to the Purchasing By-law to address operational improvements. Several meetings were held to review and discuss the various sections of the Purchasing By-law. While some of the changes are substantive, many of the changes are administrative.
- 2.2 The changes being proposed will allow Purchasing Staff to focus on higher dollar value purchases, shorten the lead time for the procurement of goods and promote efficiencies.

A summary of proposed revisions to the new Purchasing By-law are shown below:

By-law Provisions

1. Definition

- Include a definition for Single Source purchase
- Include a definition for Sole Source purchase

2. Bid Types and Limits

a) Informal Request for Quotation

- Increase the authority to make acquisitions from between \$5,000 - \$25,000 to between \$5,000 - \$50,000

b) Formal Request for Quotation

- Increase the authority to make acquisitions from between \$25,000 - \$100,000 to between \$50,000 - \$100,000

c) Bonds and Deposits

- Reword to delete any reference to cash and envelope and to include accepting e-Bond.

d) Bid Procedure

- Delete any reference to hard copy submission and replace with “electronic process”

e) Bid Opening

- Delete any reference to hard copy submission and public opening and replaced with “Unless otherwise stated, all Bids shall be opened by the Purchasing Manager and results posted publicly on the Municipality’s website”.

f) Approval Limits and Reporting

- Change CAO’s approval limit from \$250,000 to \$500,000
- Change the limit for award of contract for goods and services requiring Committee’s approval from \$250,000 to \$500,000

- Department Head may hire a consultant directly if the cost is below \$25,000, down from \$30,000, in line with the treatment for other purchases
- CAO will approve hiring of consultants between \$25,000 to \$50,000
- Change the limit for award of contract for consulting and professional services requiring Committee's approval from \$30,000 to \$50,000.

3. General Purchasing Policies

a) Fair Wage Policy

- Deleted

b) Lobbying

- Included a new section on lobbying as follows:

All prospective bidders are prohibited from lobbying any member of Council, staff and consultants, appointed member and any staff of any Board during the period commencing at the time of issuing a bid solicitation and ending at the time of the award of the contract. The Municipality may reject any bid by a supplier that engages in such lobbying, without further consideration, and may terminate that supplier's right to continue in the bid solicitation process.

4. Schedule A

- Delete Engineering Services and Engineering Consulting Services from Schedule from Schedule A.

5. Other Changes

- Other changes made are administrative in nature.

6. Future changes

- The Purchasing Services Division and the Energy and Climate Change Response Co-Ordinator are working together on a green procurement policy. A separate report will be sent to Council once the policy has been finalised.

3. Concurrence

Departments Heads have been consulted during the review process and the report has been reviewed by the Director of Municipal Services/Municipal Solicitor who concurs with the recommendation.

4. Conclusion

- 4.1 Overall, the general consensus is that the By-law facilitates efficient procurement processes and effectively meets the operating requirements of the Municipality's operating Departments while ensuring appropriate controls and accountability measures.
- 4.2 It is respectfully recommended that the By-law attached to this report as attachment #1 be passed.

Staff Contact: David Ferguson, Purchasing Manager, 905-623-3379 Ext 2209 or
dferguson@clarington.net

Attachment:

Attachment 1 – Proposed updated Purchasing By-law.

Interested Parties:

There are no interested parties to be notified of Council's decision.