

Town of Whitby

Staff Report

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Report Title: Procurement Policy

Report to: Committee of the Whole

Date of meeting: March 6, 2023

Report Number: FS 09-23

Department(s) Responsible:

Financial Services Department

Submitted by:

Fuwing Wong, Commissioner Financial Services & Treasurer

Acknowledged by M. Gaskell, Chief Administrative Officer

For additional information, contact:

Michelle K. Trudel, Senior Manager, Procurement

1. Recommendation:

1. That Council approve and endorse the new Procurement Policy (Policy # F 080) included in Attachment 1 of Report FS 09-23;
2. That the existing Purchasing Policy be repealed; and,
3. That Council direct staff to review the Procurement Policy every 5 years.

2. Highlights:

Financial Services is recommending a new Procurement Policy.

- The Municipal Act requires Municipalities to have a Procurement Policy.
- It is considered best practice to review and revise the Procurement Policy every 5 years.
- Council establishes and supports a Procurement Policy and approves expenditures through the Town's budget process.
- The new policy is based on a modern approach combining efficiency with appropriate financial oversight while maintaining transparency.
- The new policy incorporates requirements identified in the current applicable trade agreements.

- A Procurement Policy is required to maintain the integrity of the procurement process and consistent application of the fundamentals of Fair, Open and Transparent procurement practices.

3. Background:

The current Purchasing Policy was approved by Council in 2003 and Council endorsed an amendment to the reporting process in 2017 as an efficiency measure increasing delegated staff authority and incorporating Accessibility considerations.

4. Discussion:

Financial Services is recommending a new Procurement Policy be approved and adopted starting April 3, 2023.

A Council Education session was held on February 13, 2023 to discuss the key changes proposed to the Town's Purchasing Policy. Based on the feedback received on February 13th, the Policy has been updated to reflect:

- quarterly reporting (vs. semi-annual) of procurement awards approved by staff under the delegated authority provisions of the Purchasing Policy; and
- reporting via a memo on a Committee Meeting agenda (vs. the Council Information Index).

Further, at the February 13th Council Education session, there were concerns raised related to important community projects or controversial projects where Council may wish to have staff report procurement results and recommendations to Council prior to the award of work. As noted at the meeting, the proposed Purchasing Policy does not change any of the Town design processes or public engagement processes related to major capital projects. However, Council may provide direction to staff to report back on any procurement prior to award (e.g., in effect rescinding the delegated authority to staff) on a per project basis.

Procedures will be established by Staff to ensure consistent application of the Policy with due regard given to increasing efficiency.

A draft copy of the proposed new Procurement Policy is attached as Attachment 1 – Procurement Policy.

Highlights of the major changes are summarized below:

- Responsibilities of Council include establishing and supporting a procurement policy and approving expenditures through the Town's budget process.
- Council delegates authority to the Senior Leadership Team while maintaining responsible financial management through the identified roles, responsibilities, and conditions of authority.
- All members of Council, and all employees authorized to purchase goods, services, or construction on behalf of the Town are to adhere to the Ontario Broader Public Sector Supply Chain Code of Ethics tenets listed in the new Procurement Policy;
 - Personal Integrity and Professionalism

- Accountability and Transparency
 - Compliance and Continuous Improvement
- The Town will encourage sustainable practices in the procurement of goods and services with due regard to preserving the natural environment and reducing greenhouse gas emissions.
- The Town will incorporate consideration for accessibility design, criteria, and features in the procurement of goods, services, and construction.
- Limited Tendering of Single and Sole Source procurements will be subject to Council approval where they exceed the current Canadian Free Trade Agreement threshold.

To ensure transparency and timely reporting to the community, Council will receive the following Staff Reports:

- Quarterly information reports will be provided to Council of all awards made greater than or equal to \$250,000 Total Procurement Value.
- Following any Recess of Council, an information report detailing all awards made under the additional delegated authority.
- All Limited Tendering - Sole and Single Source Procurements that exceed the current Canadian Free Trade Agreement threshold for covered procurements will be presented to Council for approval prior to award.
- All Standardizations valued at \$100,000 will be authorized by Council prior to establishing any agreements.
- All Emergency Procurements over \$100,000 will be reported by the Department as soon as possible following the emergency detailing the event and costs.
- All Change Orders not within Budget/exceeding the Town's Capital Budget Management and Control Policy (F 170) will be reported to Council for approval.
- Council will approve any award that is not within the authority delegated to staff in the Procurement Policy (e.g., an award recommended to a non-compliant bidder, to a Vendor other than the lowest compliant bidder or highest scoring proponent or as otherwise deemed outside of the conditions to award procurement contracts delegated staff).

5. Financial Considerations:

Not Applicable.

6. Communication and Public Engagement:

The Town's website will be updated to reflect the new Procurement Policy. Staff will be notified by Financial Services and a full training regimen will be established.

7. Input from Departments/Sources:

A collaborative process was held with staff representatives across the Corporation. Staff were engaged at various stages to provide feedback and to review and endorse the policy.

The Policy was reviewed by the Town of Whitby Policy Review Committee and the Senior Leadership Team.

8. Strategic Priorities:

The new Procurement Policy supports Strategic Plan objective 2.1: continually improve how we do things by fostering innovation and focusing on making our processes better. The Policy incorporates accessibility and sustainability requirements and will be further developed in the Procedures.

9. Attachments:

Attachment 1 – Procurement Policy