

ADMINISTRATIVE REPORT

Subject: Procurement Policy Review
Date: 2022-08-02
To: Administration & Finance Executive Committee &
Operations & Facilities Executive Committee
From: Dawn Galusha, Treasurer
File Number: TRE 2022-38



ISSUE

The Town of Fort Frances is required under the Municipal Act, 2001 Section 270(1) (3) to adopt and maintain a procurement policy. The effective version of the policy was last revised in January 2013, so a review of the policy was overdue.

ADMINISTRATIVE RECOMMENDATION

It is the recommendation of Administration:

That the committee approve sending the draft version of the Procurement Policy to legal for review and further that the Purchasing Card Policy go to Council to be approved.

STRATEGIC IMPACT

N/A

OPTIONS & ALTERNATIVES

- The committees approve the draft version of the Procurement Policy to send to legal for review and further that the Purchasing Card Policy go to Council to be approved.
- The committees approve a revised draft version of the Procurement Policy to send to legal for review and further that the revised draft version of the Purchasing Card Policy go to Council to be approved.
- The committees send the policies back to Administration for further work.
- Another alternative may be possible.

HISTORY

As per the original policy, Section 7.0 Policy Review:

- i) This policy shall be reviewed prior to the end of each term of Council.
- ii) The review shall determine the policy's effectiveness versus the objectives stated and the requirement of the Municipal Act, 2001 as amended.

PROCUREMENT POLICY REVIEW

- iii) The management team shall undertake the review and the final result of said review are to be reported by the CAO to Council.

Per the Council Meeting of March 28, 2022, Council referred this item as new business to both the Administration and Finance Executive Committee and the Operations and Facilities Executive Committee.

A report was presented in April with general discussions around the procurement limits, location preference and the policy to determine next steps.

Administration previously had a legal review of the procurement policy to provide input on it, so I used that guidance along with strong sections from other municipal procurement policies to create this policy. Several versions of the policy went to the Senior management team and with their input we are providing the attached version. When reviewing the old policy and the revisions, we decided to pull out the Purchasing Card section to make it its own policy.

ANALYSIS

Attached you will find the new Procurement Policy and Purchasing Card Policy. Once the committees are satisfied with the content, we will forward to legal for consultation and review with final policies likely to come to Council in September.

Some major highlights of the new policy include:

- More purposeful objectives which include ethics and social procurement, as well as compliance to relevant legislation;
- A more specific restrictions list which allows us to limit those that we award contracts to if there is a pecuniary interest, or past issues with a vendor;
- Procurement Authority Levels and delegation of signing authority for the CAO
- Purchasing Methods
 - Increase the limit of Quotes to \$50,000 (from \$35,000)
 - Increasing the lower limit of Tendering Requirements to \$50,000 (from \$35,000)
 - Including Sole Sourcing and the requirements thereto
 - Including Co-operative Purchasing and the requirements thereto
 - Including guidance on Emergency Purchases

PROCUREMENT POLICY REVIEW

- Guidance on Purchases without budget appropriation
- Clearer guidance on Council approval requirements

All in all, I feel this policy does a better job of outlining areas that were once grey and provides specific guidance to staff.

CONSULTATION

- All Senior Managers
- Administration and Finance Executive Committee
- Operations and Facilities Executive Committee

SUPPORTING DOCUMENTS

Policy 1.12 Procurement

Policy 1.09 Purchasing Cards (New)