

Recommendation:

That the Treasurer-2022-14 report, dated October 4, 2022, regarding an Update to the Procurement Policy be received and that Council approve the amended Policy.

Overview:

The Township's Purchasing/Procurement Policy numbered F-2 was originally approved by Council on June 7, 2011 and then revised October 4, 2016. The review cycle stated within the Policy is that it will be reviewed on an as needed basis.

The following are the three areas that staff felt needed to be amended in order to bring the Policy in line with current standards and needs of the Township. The amended Procurement Policy is included in this report as Attachment #1.

1. The Policy does not address the use of Township issued credit cards (P-Cards). Up until recently there has only ever been one credit card for staff to use when making online or routine purchases. This card was shared amongst the managers and other staff with the approval of the CAO. However, this proved to be inefficient at times and therefore an additional card was ordered for the Treasurer and Fire Chief. The Policy now references the use of P-Cards and that staff who receive a P-Card will be required to agree to the rules and guidelines for when and for what a P-Card can be used for.
2. The Policy was worded for paper-based submissions only. Staff will be implementing an online portal called Bids and Tenders that will move the RFP and Tendering process online therefore the Policy needed to allow for and describe the electronic bidding process.
3. The values for purchasing authority and reporting to Council do not allow for efficient operations. The following changes are being recommended to combat supply shortages and vendor backlogs and expedite the procurement process.
 - Direct Acquisition - the first change will be to increase the amount eligible for direct acquisition by department heads from \$2,500 to \$5,000.
 - Written Quotations - for amounts between \$5,001-\$25,000, the Department Head will be required to obtain three written quotations. This requirement currently applies to \$2,501-\$10,000.
 - Request for Quotations - for amounts between \$25,001-\$50,000, the Department Head shall issue a Request for Quotation. This currently applies to \$10,001-\$50,000
 - Amounts over \$50,000 can either be procured through Tender or Request for Proposals; this has not changed.
 - Tenders and Request for Proposals (RFP) – any amount can be put through a Tender or RFP process, this is not a change. The proposed change to the Tender and RFP process relates to approval authority and

reporting requirements. Currently any purchase over \$50,000 requires a report to Council for approval to enter into an agreement to procure the goods or services from the successful proponent. It is proposed that only tenders or RFP's that are \$5,000 or more over the approved budget require Council approval. This recognizes that Council approved the budget during the annual budgeting process and that this Policy requires a tender or RFP process that is fair, equitable and transparent.

Results of all procurement over \$5,000 will continue to be reported to Council through the Capital Status report.

Conclusion:

The proposed changes to the Township's Procurement Policy will enable staff to implement the online bid portal called Bids and Tenders. The changes will also ensure staff can effectively and efficiently complete purchases for the Township that are within budget and have followed the procurement guidelines. Council will continue to be informed of all significant purchases through reporting.

Financial Impact: N/A

Strategic Plan Applicability: To ensure and enable an effective and efficient municipal administration.

Report Approval Details

Document Title:	Update to Procurement Policy.docx
Attachments:	- F2 Procurement Policy September 2022 DRAFT.docx
Final Approval Date:	Sep 28, 2022

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

Martina Chait-Hartwig

Elana Arthurs