



## The Corporation of the Town of Tecumseh

Financial Services

**To:** Policies and Priorities Committee

**From:** Tom Kitsos, Director Financial Services & Chief Financial Officer

**Date to Council:** June 22, 2021

**Report Number:** FS- 2021-06

**Subject:** Purchasing By-Law and Policy Update

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### Recommendations

It is recommended:

**That** Report FS-2021-06 regarding an update to the Purchasing By-law No. 2017-63 and accompanying policy **be received**;

**And that** the recommended updates to the Purchasing By-law in the Report **be accepted**;

**And further that** the recommended updates to the Purchasing Policy in the Report **be accepted**;

**And furthermore that** subject to the acceptance of the Committee, or acceptance with changes, the By-law and Policy **be presented** to Council at the next Regular Council Meeting for adoption.

### Background

The Municipal Act 2001, R.S.O 2001 c.25 Section 271 requires that a Municipality implement policies with respect to,

- a) The types of procurement processes that shall be used;
- b) The goals to be achieved by using each type of procurement process;
- c) The circumstances under which each type of procurement process shall be used;
- d) The circumstances under which a tendering process is not required;
- e) The circumstances under which in-house bids will be encouraged as part of a tendering process;
- f) How the integrity of each procurement process will be maintained;

- g) How the interests of the municipality or local board, as the case may be, the public and persons participating in a process will be protected;
- h) How and when the procurement process will be reviewed to evaluate their effectiveness; and
- i) Any other prescribed matter.

The Town's current Purchasing Policy No. 17 and By-law 2017-63 Procurement Policies and Procedures were approved at the September 12, 2017 Regular Council Meeting (Motion RCM-320/17). Periodic reviews should occur every five years or as required.

## Comments

The Town's current Procurement By-law and Policy were approved in 2017. A complete periodic review is planned to occur for 2022.

Notwithstanding the complete review due to occur in 2022, Senior Management wishes to update the By-law and Policy for certain specific items following changes to legislation and practice since the last update in 2017.

Some of these changes include:

- Clarification to By-law Schedule A "Levels of Contract Approval Authority" to coincide with language in the policy and current practice,
- Updates to By-law Schedule B "Goods and Services Not Subject to this By-law" with respect to services exempt from the By-law and Policy to conform with applicable trade agreements,
- Updates to Purchasing Officer responsibilities,
- Expansion of the Performance Evaluation section to support a more robust program that will be implemented, and
- Added clarification on budget approval including specific provisions to enter into a contract where lowest bid exceeds approved budget.

The balance of the changes included an overview of the policy with some general housekeeping updates.

Draft copies to the procurement By-law and Purchasing Policy highlighting tracked changes are attached to this report. Updates that are being proposed and sections of the By-law or Policy referenced include:

- Updates to the Purchasing Officer's responsibilities, By-law Part III section 3.2.
- Clarification on single and sole sourcing procurement, By-law Part III sections 3.3 and 3.4.

- Expanded on budget allocation approvals, By-law Part IV new sections 4.3 and 4.4.
- Updated Schedule A of the By-law – Levels of Contract Approval Authority.
- Updated Schedule B of the By-law – Good and Services not subject to this by-law.
- Updated and added definitions - Purchasing Policy Part I Interpretations 1.1 Definitions.
- Reviewed and made updates were required for all of the procurement processes – Policy Part III – General Procurement Procedures 3.3 Informal Quotation, 3.4 Formal Quotation, 3.5 Request for Tender, 3.6 Request for Proposal and 3.12 Cooperative Purchasing.
- Expanded on the execution of the performance evaluation process – Policy Part IV 4.12 Exclusion of Bidders Due to Poor Performance.
- Added a new section regarding bidder eligibility, this outlines what could disqualify bidders from participating in a procurement opportunity – Policy Part IV 4.12 Bidder Eligibility.

## **Consultations**

All Departments

## **Financial Implications**

There are no financial implications at this time.

## Link to Strategic Priorities

Applicable	2019-22 Strategic Priorities
<input type="checkbox"/>	Make the Town of Tecumseh an even better place to live, work and invest through a shared vision for our residents and newcomers.
<input type="checkbox"/>	Ensure that Tecumseh’s current and future growth is built upon the principles of sustainability and strategic decision-making.
<input type="checkbox"/>	Integrate the principles of health and wellness into all of Tecumseh’s plans and priorities.
<input checked="" type="checkbox"/>	Steward the Town’s “continuous improvement” approach to municipal service delivery to residents and businesses.
<input type="checkbox"/>	Demonstrate the Town’s leadership role in the community by promoting good governance and community engagement, by bringing together organizations serving the Town and the region to pursue common goals.

## Communications

Not applicable

Website       Social Media       News Release       Local Newspaper

This report has been reviewed by Senior Administration as indicated below and recommended for submission by the Chief Administrative Officer.

Prepared by:

Janey Murphy  
Purchasing Officer

Reviewed by:

Tom Kitsos, CPA, CMA, BComm  
Director Financial Services & Chief Financial Officer

Recommended by:

Margaret Misek-Evans, MCIP, RPP  
Chief Administrative Officer

<b>Attachment Number</b>	<b>Attachment Name</b>
1	Town of Tecumseh Purchasing By-Law and policy 2017-63 revisions