



The Corporation of the Town of Tecumseh

Financial Services

To: Mayor and Members of Council

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

Date to Council: December 14, 2021

Report Number: FS-2021-17

Subject: Purchasing By-law Amendment

Recommendations

It is recommended:

That Report FS-2021-17 regarding an update to Schedule B of the Purchasing By-law 2021-60 **be received;**

And that the recommended update to Schedule B of the Purchasing By-law **be approved** through the adoption of an Amending By-law 2021-103.

Background

The Town's current Purchasing By-law 2021-60, "Procurement Policies and Procedures" and Policy 17, were approved at the June 22, 2021 Policies and Priorities Committee meeting and later adopted by Council at the Regular Council Meeting on July 27, 2021.

By-law 2021-60 replaced former Purchasing By-law 2017-63 incorporating updates to address specific items following changes to legislation and practice since 2017. The primary updates included:

- Clarification to By-law Schedule A "Levels of Contract Approval Authority" to coincide with the 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.

Comments

“Consultant services” has historically been included in Schedule B, however was removed with the recent Purchasing By-law update in 2021. The removal of “consultant services” was implemented to align the Town’s by-law with applicable trade agreements while maintaining the Town’s existing approval authority thresholds.

The purpose of this revision is to re-introduce “consultant services” to Schedule B “Goods and Services Not Subject to this By-law” in a manner that satisfies the requirements of applicable trade agreements while also providing for operational efficiencies and corporate savings.

Administration recommends adding back “consultant services – less than \$100,000” to Schedule B.

Applicable trade agreements do not apply for amounts less than \$100,000.

Benefits of including “consultant services – less than \$100,000” in Schedule B will provide for the following:

- Savings for the Town in cases where consultants under contract with the Town use sub-consultants.
 - the exemption allows sub-consultants to bill directly to the Town and avoids additional costs that would be incurred from main consultant mark-up
- Operational efficiencies in cases where sub-consultants require direct dealings with the Town for their own specific business process purposes.
 - in this case, the exemption reduces the reporting that would be required to engage with the sub-consultant
- Operational efficiencies in cases where unique qualifications exist for specific tasks.
 - examples would include periodic studies/reviews where consultant continuity provides cost and time savings

Consulting services greater than the \$100,000 threshold will be retained through a formal Request for Proposal process.

Section 2.6 of the Town’s Purchasing By-law includes provision for an update of this nature.

“The Purchasing Coordinator, together with the Purchasing Officer, are authorized to make and promulgate from time to time administrative policies, procedures and directions respecting:

v) such other matters of an ancillary or incidental nature to more fully carry out the intent and purpose of this By-law.”

Consultations

Legislative Services & Clerk
Public Works & Engineering Services

Financial Implications

There are no financial implications to the Town.

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:

Phil Bartnik, P.Eng.
Director Public Works & Engineering Services

Reviewed by:

Laura Moy, Dipl. M.M.
Director Legislative Services & Clerk

Reviewed by:

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

Recommended by:

Margaret Misek-Evans, MCIP, RPP
Chief Administrative Officer

Attachment Number	Attachment Name
None	