



Municipality of Port Hope Staff Report

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Report Title: Revised Procurement Policy

Report to: Finance Committee

Date of meeting: September 6, 2022

Report Author:

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Coordinator

Department responsible:

Finance

Report Number: FS-22-22

Recommendation:

That a by-law be presented to Council to adopt a new Procurement Policy and repeal the previous By-law 20/2018.

Highlights:

- Includes updates as part of Service Delivery Review for efficiency, including more flexibility for Departments to manage their procurement activities.
- With rising supply chain costs and shortages of materials and vehicles this will allow the Municipality to be more agile while also remaining fair, open, and transparent
- Aligning procurement thresholds with that of the Ontario Broader Public Sector guidelines established by the Province
- Reviewed and recommended by Audit Committee

Background:

The Purchasing and Risk Management Coordinator has been working with the Procurement Law Office (a National law firm specializing in procurement and supply chain legislation and training) to review current policies and procedures, meet with staff and develop an action plan for new policies and procedures. Through the Service Delivery Review, staff have also received input from KPMG regarding a best practices policy. The attached draft report is a combination of both documents that provides clarity and modernizes our procurement process while ensuring appropriate controls.

Discussion:

After meeting with all departments, the Procurement Law Office identified the largest opportunity for process improvement is changing our thresholds. KPMG recommend

that they be aligned with the Procurement Guidelines for Publicly Funded Organizations in Ontario, which are reflected in the proposed policy

The current and proposed thresholds are:

Non-Competitive

Current level – Less than \$10, 000

Proposed level – Less than \$25,000

Invitational (three written Quotations)

Current level \$10,000 - \$50,000

Proposed level - \$25,000 to \$100,000

Open Competition (request for Tender or request for Proposal)

Current level – Greater than \$50,000

Proposed level – Greater than \$100,000

With rising supply chain costs and shortages of materials and vehicles this will allow the Municipality to be more agile while also remaining fair, open, and transparent. The intention is to attain better pricing and reduced wait times, while also facilitating a less administrative and more strategic process.

The revised policy also provides greater clarity regarding the application to local Boards.

The draft has been reviewed by all departments for feedback as well as Senior Leadership Team. Additionally, it has been reviewed and recommended by Audit Committee.

Financial Considerations:

There are no direct financial considerations of this policy. It is intended to improve the value attained through the procurement process and improve service delivery. The Municipality has received funding from the Municipal Modernization Fund to support the modernization of the procurement policy and supporting process documents.

Communication and Public Engagement:

Open Competition procurement opportunities will continue to be advertised publicly on the Municipal website.

Conclusion:

The new Procurement Policy provides foundational principles from which the corporation can procure items in an open, fair, and transparent way.

Attachments:

Attachment 1 – Draft Procurement Policy