



City of
Peterborough

To: Members of the General Committee

**From: Patricia Lester
Commissioner of Corporate and Legislative Services**

Meeting Date: February 11, 2019

**Subject: Report CLSFS19-013
Amend Procurement By-law 18-084**

Purpose

A report to amend the Procurement By-law 18-084.

Recommendation

That Council approve the recommendation outlined in Report CLSFS19-013 dated February 11, 2019, of the Commissioner of Corporate and Legislative Services, as follows:

That Section 9.1.2 and Chart 3 of Appendix A of the Procurement By-law 18-084 be amended as per Appendix A of Report CLSFS19-013.

Budget and Financial Implications

There are no budget and financial implications stemming from the recommendation.

Background

The City's Purchasing Policy By-law 18-084 was passed by Council on September 10, 2018 based on recommendations outlined in Report CPFS18-037 dated August 27, 2018. Section 16.1 of the by-law states that:

The Treasurer, in consultation with the appropriate City staff, will conduct a detailed review of this By-law on an as-required basis, but at a minimum, shall report to each Council, prior to the end of its term, with any recommended amendments.

There are two amendments being suggested through this report.

Amendment 1 – 9.1.2 Delegated Authority to Approve Budget Transfers

The clause is being amended to clarify that if, during an election year, the actions of an outgoing Council have been restricted by Section 275 of the **Municipal Act, 2001**, or when there are no meetings of the outgoing Council until the first meeting of the new Council, that City business could continue by: (1) delegating, to the Chief Administrative Officer, in consultation with the Treasurer, the authority to transfer approved budgets and pre-commit future budgets(s); and, (2) establishing the Administrative Staff Committee as the Approval Authority for awarding contracts that would normally require Council approval.

Amendment 2 – Appendix A – Schedule of Approval Authority - Chart 3.

Chart 3 of Appendix A specifies that Council approval is required in all cases where the total Cumulative Increase of a contract is both more than \$100,000 and more than 10% of the original Contract Value.

The previous iteration of the procurement by-law, By-law 14-127, delegated authority to the Administrative Staff Committee the ability to approve contract renewals or extensions in circumstances where the original bid allowed for additional units to be purchased at a subsequent date, or the bid allowed for an extension in the period of time the service is to be provided and based upon such factors as satisfactory performance, operational needs and annual budget approvals. Such delegated authority was inadvertently overlooked and not included in new procurement By-law 18-084. Given the benefit of report timeliness and operational efficiency that the delegation creates, staff recommends that this delegation of authority be reinstated.

The delegation of authority would not extend to situations where the scope of work is being changed.

At the General Committee on January 21, 2019, the following two reports were presented for Council approval. They provide examples of where the delegation of authority would be used:

Scenario 1) Unit Cost

The report was presented to recommend a one-year contract extension to the contract to Supply and Deliver Waterborne Traffic Marking Paint for 2019. The motion approved read as follows:

That a one-year contract extension for RFT T-13-17 for Supply and Delivery of Waterborne Traffic Marking Paint, be awarded to Ennis Paint Canada, 115 Todd Court, Thomasville, North Carolina, 27360 USA on a per litre basis in accordance with the unit price costing in Chart 1 of this report for an estimated cost of \$79,429.00, plus HST of \$10,325.77, for an estimated total cost of \$89,754.77.

Scenario 2) Extension of Period of Time

The report was presented to recommend a two-year contract extension to the contract to Supply and Deliver of Sand, Gravel and Stone to Various Locations in the City of Peterborough. The motion approved read as follows:

That a two-year contract extension for RFT T-19-16 for the Supply and Delivery of Sand, Gravel and Stone to Various Locations in the City of Peterborough, be awarded to 1035477 Ontario Ltd., Glenn Windrem Trucking, 2411 Whittington Drive, Cavan Monaghan, ON K9J 0G5, at an annual estimated cost of \$205,000 plus \$26,650 for HST, for an estimated total of \$231,650 per annum for the two-year period 2019 and 2020.

Both reports received approval by Council on consent. Should Council reinstate the delegation of authority, on a go forward basis, both reports would be approved at the staff level.

Summary

The new by-law has only been in effect since last August. The two amendments being suggested provide both clarity and efficiency. As required in the Purchasing Policy By-law, staff have reviewed the policy and recommend the amendments be adopted.

Submitted by,

Patricia Lester
Commissioner of Corporate and Legislative Services

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Attachments:

Appendix A - Section 9.1.2 and Chart 3 of Appendix A of the Procurement By-law18-084