

Town of Riverview

COUNCIL REPORT FORM



Presented to: Mayor and Town Council

Presented by: Colin Smith, CAO

Date: April 23, 2019

Subject: Procurement Standard

BACKGROUND

Back in October 2018, Council approved an update to the Town's Procurement Policy and Standard after we had an external review of our current policies and practices, which identified a number of recommended improvements. Those recommendations were implemented and put in place. Since the start of 2019 the updated standard and the new processes have been followed and overall they have been working well with a few growing pains. While the new procurement templates that have been developed have been helpful in many situations, management continues to learn with each procurement activity which of the categories in the new templates apply to their specific procurement activities and which one may not be necessary due to the nature of what the Town is attempting to procure.

One that was identified after the standard was updated that needed to be revisited again was the requirement for three quotes for items that fall under the procurement legislation requirements for public tendering / or request for proposals. Specifically, we are reference page 8 of the attached standard. This table was not actually amended or changed when the review was completed, however once the updated standard was implemented, management began to note a number of circumstances where the defined requirement for three quotes would be a hindrance to operational effectiveness. This requirement was not always followed in the past. For example, when the Town is looking to put on a professional development training session for employees, the objective is to find the right training opportunity for the team's development versus the need to find three consultants that can quote on the work. In most situations, you find the right training or consultant that fits with the training need or the team you are working with versus looking for multiple quotes. A similar issue arises when to address an immediate road maintenance or repair issue, Public Works needs to access support from an external contractor, the priority is finding the firm that is available and can respond versus getting three quotes in short order.

Therefore, we wanted to update the standard to reflect the current exceptions that exist in our procurement standard. The decision was made to better define what exceptions exist, not to eliminate the need to ensure we are getting quotes when necessary. The need for staff to look for three quotes is

still important in most situations, the update language in the standard just simply defines the types of exceptions that do exist in those situations.

October Background Report – Previously presented to Council

Town Management went through an extensive review, with the support of a Procurement Consultant, to review and update the Town's Procurement Policy (formally the Purchasing Policy). As well the Procurement Consultant updated the forms and templates that the Town uses when executing major procurement activities.

The proposed change has also split the old Policy language between an overarching policy and a more detailed standard. That is consistent with other organizations. The Policy usually defines the "why" and a standard provides more detail on the "how" things are to be done.

Overall the changes that have been proposed, do not change the overall intent of the Town's practices. The Town continues to adhere to the requirements of the *Public Purchasing Act*. The changes address improved clarity; consistent templates for rfps, tenders, etc.; and the modernization of documentation requirements for accepting tenders, bids, etc. Notable changes included:

- The previous purchasing policy indicated the Town would adhere to the *Public Purchasing Act* and the *Crown Construction Act*. In actual fact, municipalities are required to follow the *Public Purchasing Act* and are not named as an entities that must follow the *Crown Construction Act*. Because there are good components in the *Crown Construction Act*, related to engineering projects, the Town still plans to adhere to the relevant policy intents from that legislation and that is stated in our policy and standard.
- The Consultant identified some current mandatory documentation requirements that the Town follows that are no longer industry standards. So for example the requirement that all bids have corporate seals is no longer a requirement in other municipalities, so bidders don't use or have corporate seals anymore, so we have removed that requirement.
- The templates for rfps; tenders; etc. have been updated to ensure the Town identifies clearly to bidders what the Town deems a mandatory requirements in an rfp, which will result in the non-acceptance of proposals that do not directly address those requirements.
- The updated procurement standard has established a process for when employees recommended using an alternative procurement approach allowed within the legislation (i.e. using another municipalities award; not following a competitive bid process, etc.)

Attached is the updated Policy and Standard.

CONSIDERATIONS

Legal: n/a

Financial: n/a

Policy: consistent with current policy

Stakeholders:

Staff, contractors, vendors, etc.

Strategic Plan:

- Strategic Plan Guiding Principles of – Accountability & Transparency

Interdepartmental Consultation: all department heads & shared policy with Union Presidents

Communication Plan: n/a

RECOMMENDATION

This report is for information purposes. As the Policy and Standard is still applicable to the Procurement legislation, this modification in the standard is to reflect current practices.