

# Town of Riverview

## COUNCIL REPORT FORM



**Presented to:** Mayor and Council

**Department:** Finance & Information Technology

**Date:** December 9, 2024

**Subject:** Procurement Policy – Revised Authorization Threshold Levels

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### **BACKGROUND**

The Town currently adheres to a Procurement Policy that outlines various dollar threshold limits which necessitate specific staff or Council authorization for the procurement of goods, services, and construction (see attached Table).

Given that the existing authorization limits were last updated a few years ago and considering the current market dynamics including suppliers' willingness to engage, it is evident that amending these limits is both timely and necessary.

Staff have observed that the current thresholds may deter suppliers from submitting tenders due to the extensive work involved, particularly when business is thriving, and they do not perceive sufficient benefit. Submitting a quote for lower-priced assets sought by the Town might be more appealing and thus increase participation. For instance, the cost of trucks has risen significantly, and in recent years, the Town has only received one or two tenders. By raising the threshold, the Town can invite more suppliers to submit quotes, thereby fostering increased activity and ideally leading to more competitive pricing.

Considering these recommended changes, staff will also include a report of all assets acquired in their departmental monthly reports to Council as an additional measure (even those not requiring a tender).

### **CONSIDERATIONS**

#### **Legal:**

The Town must comply with provincial legislation which prescribes specific minimum dollar thresholds for open competition and advertising.

#### **Financial:**

The threshold adjustment(s) shall mitigate time and other resources required to obtain appropriate authorization for many relatively immaterial items and also aim to encourage more competitive pricing.

Policy:

The existing procurement policy was formally approved by Council. Council is being requested to approve the revision to the threshold limits. (See attached Table showing the changes).

Stakeholders: N/A

Strategic Plan:

This policy is consistent with the objective of fiscal responsibility.

Interdepartmental Consultation:

All Directors submitted their suggested threshold limits, which they felt were appropriate, to the Director of Finance & Information Technology. The Director of Finance & Information Technology and the CAO then met to discuss these submissions and developed a revised Table. This revised Table was subsequently discussed with the directors' group to ensure consensus prior to this recommendation.

Communication Plan

After Council approval, all applicable staff shall be provided with the revised threshold limits effective December 10<sup>th</sup>, 2024.

**RECOMMENDATION FROM STAFF**

Staff recommends Council approve the revised threshold amounts as outlined in the revised ***Purchasing Policy Authorization Limits Table***.

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