

Municipality of Lakeshore – Report to Council

Corporate Services

Financial Planning and Analysis



To: Mayor & Members of Council

From: Justin Rousseau, Corporate Leader - Chief Financial Officer

Date: February 14, 2024

Subject: Governing Procurement Policy Update

Recommendation

Direct the Clerk to read By-Law 30-2024, being a by-law to adopt a Governing Procurement Policy, during the Consideration of By-laws, as presented at the March 5, 2024 Council meeting.

Background

The existing purchasing bylaw and policy was approved by Council July 10, 2010. The current by-law is no longer compliant with legislation and best practices in procurement from a policy level. Many changes in procedures and best practices have occurred since the drafting of the by-law 14 years ago.

Lakeshore is a member of a regional procurement group. One of the goals of the regional procurement group is to have all procurement municipal bylaws align for the most part providing confidence in the market and consistency in standard procurement practices for the entire County. LaSalle and Essex currently share this bylaw and the intent is for all seven of the municipalities that are part of the Essex County Regional procurement group to share the same bylaw.

The following is a summary of the key recommended revisions to the by-law:

Section 1.0 - This section has been revised to include a new policy purpose statements.

Section 2.0 - This section now outlines the goals of the policy; prior it was the general provisions.

Section 3.0 – This section has been revised to include general terms, more detailed responsibilities for Department Heads, and the Procurement Officer, and now includes responsibilities for Council, Chief Administrative Officer, Treasurer, Project Lead, Manager and Supervisor. Authority has moved to Section 4.0. Single Sole Sourcing is now included in Section 9 and is now known as Direct Purchase.

Section 4.0 – Schedule A “Levels of Contract Approval Authority” is now disclosed in this section.

Section 4.10. There is now a distinction for approval authority between competitive and direct purchase procurements. Proposed thresholds would be more in line with other municipalities within the County of Essex as well as reflect the current economic environment. The threshold amounts are being increased as follows:

Type of Procurement	Proposed Level	Current Level
Informal Quotation	\$10,000 - \$50,000	\$6,500 - \$26,200
Formal Quotation	\$50,000 - \$100,000	\$26,200 - \$45,800
Request for Tenders and Proposals (No Council Approval)	Above \$100,000	\$45,800 - \$98,200
Request for Tenders and Proposals (Council Approval)	Above \$500,000	Above \$98,200

However, please note, that where a competitive procurement results in a purchase that is within 10% of the Council approved budget, the Contract will be signed by the Approval Authority provided for in the Table at Section 4.10. Council will have already provided the authority for that Contract through the formal budget process. Further, Council will receive regular reporting as part of Administration's reporting obligations provided for in Section 4.9. This will ensure that Council remains the approval authority on projects of significant strategic importance and also will ensure Council will continue its role of stewardship of fiscal decisions for the municipality.

Section 15 – This section provides a detailed process for Bidder complaint resolution which was vague in the prior by-law.

Section 18.2 – This section discusses the requirement of a performance evaluation of every contract where the solicitation identified such. Performance evaluations were not discussed in the prior by-law.

The new bylaw references Regulations governing procurement, including CFTA, CETA and OQTCA

If approved Administration will develop procedures and controls to help modernize and standardize the procurement process to ensure Council goals and priorities can be met in the most efficient way possible.

Others Consulted

Procurement & Compliance Manager, County of Essex.

Financial Impacts

There are no immediate or easily measurable financial implications to the Municipality arising from the draft revised Procurement Policy. However, it is hoped that through continued improvements to Lakeshores procurement processes, including the adoption by Council of the draft revised Procurement Policy, cost savings and administrative efficiency for the Municipality will result.

Report Approval Details

Document Title:	Governing Procurement Policy .docx
Attachments:	
Final Approval Date:	Feb 28, 2024

This report and all of its attachments were approved and signed as outlined below:

Prepared by Justin Rousseau

Approved by Susan Hirota and Truper McBride