

## Committee of the Whole (2) Report

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**DATE:** Tuesday, May 9, 2023      **WARD(S):** ALL

**TITLE:** CORPORATE PROCUREMENT POLICY UPDATE

**FROM:**

Wendy Law, Deputy City Manager, Legal and Administrative Services & City Solicitor

**ACTION:** DECISION

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**Purpose**

To present amendments to the existing PS-003 Corporate Procurement Policy.

**Report Highlights**

- The City has implemented a Corporate Procurement Policy that governs how procurements are conducted at the City. The regime has been effective in managing City's procurements.
- As required in the Procurement Policy, a review shall be conducted with updates brought back to each new term of Council.
- Staff have completed the review and the following updates are proposed to be made to the Policy:
  - Administrative updates
  - New addition of four (4) Policy Schedules
  - Updated Collaborative Procurements
  - Updated policy exemptions

## **Recommendations**

1. THAT Council approves the proposed Corporate Procurement Policy as set out in Attachment #1 of this report and repeal the existing PS-003 Corporate Procurement Policy, to be effective July 1, 2023;
2. THAT Staff establish administrative policies and procedures as required to implement the recommendations of this Report.

## **Background**

The *Municipal Act, 2001*, Subsection 270(1), requires that a municipality adopt a policy for its procurement of construction, goods, and services. On March 21, 2017, City of Vaughan Council approved the Corporate Procurement Policy as part of Procurement Modernization to improve the City's overall procurement strategy and efficiently meet the City's increasing and evolving procurement needs.

The Corporate Procurement Policy is to be reviewed and updated at the beginning of each new term of Council. As a result, Staff have undertaken a comprehensive review of same and present to Council certain proposed amendments and refinements, as contained in Attachment 1 to this Report.

## **Previous Reports/Authority**

[PS-003 Corporate Procurement Policy](#)

## **Analysis and Options**

Stakeholder engagements with internal City Departments were conducted and recommendations were implemented to minimize operational impacts and enhance procurement governance. Internal Audit was consulted and recommendations from Management Action Plans have been addressed within the amendments made to the Policy. Jurisdictional scans were conducted with eight (8) neighboring municipalities and regions to determine industry standards and best practices to be included in the City's Corporate Procurement Policy.

The following key areas were revised within the Policy:

### **1. General Administration**

Sections of the Policy have been updated to reference applicable policies (see *Table 1 below*).

**Table 1. Administrative Policy Revisions**

<b>Administrative Policy Revisions</b>	
<b>Conflict of Interest</b>	Updated content to communicate ethical code of conduct for suppliers and bidders.
<b>Competitive Procurement Processes</b>	New section setting out the framework for procurements and Award approval requirements.
<b>Developer / Landowner Growth-Related Infrastructure</b>	Removed as the section is redundant (Part of the Development Agreement Process).
<b>Disposal of Surplus Stock</b>	Deleted to be established as a new City policy for Council approval in the future.
<b>Economic Development and Innovation</b>	Removed as the section is redundant (Always require Council authority).
<b>Ethical Conduct</b>	Simplified content and included applicable City policies pertaining to ethical conduct.
<b>Fair Wage</b>	Removed section as Fair Wage Policy is in effect as of April 1, 2021, as a separate policy.
<b>Low Dollar Purchases</b>	New section added to address Audit Recommendation. New procedure will be established to streamline usage and monitor low dollar spend through a governance framework.
<b>Planning for Procurement</b>	Clarified procurement planning and high-level organizational requirements prior to initiating a procurement.
<b>Prohibitions</b>	Updated to add that special funding for a Procurement requires approval by Council (codified existing practice).
<b>Purchasing Card (“P-Card”)</b>	Updated by removing redundancies and replaced by referencing P-Card Policy.
<b>Amendments, Extensions, and Terminations</b>	Updated verbiage to make it more concise. New administrative procedures will be established after Council approves Policy.
<b>Emergency Procurement</b>	Number of days to report emergency procurements to Procurement Services increased to provide timely response (5 days to 10 days).
<b>Supplier Disputes and Supplier Performance</b>	New and updated language to require consultation with Legal Services on contentious matters and clarify internal escalation processes to deal with supplier disputes.
<b>Unsolicited Proposals</b>	Updated language to clarify process on dealing with unsolicited proposals.
<b>Sustainable Procurement</b>	Section removed, as a Sustainable Procurement Policy will be developed starting in 2023-Q3 for Council approval in 2024.
<b>Reports to Council</b>	Quarterly reporting is now revised to bi-annual reporting after consultation with members of council.

## 2. Policy Schedules

Four (4) new schedules have been added to the Policy to improve overall readability of the policy:

### a. Schedule A - Criteria for Sole Source and Single Source Procurement

- A separate schedule is created for clarity and ease of reference for Sole Source and Single Source approvals for staff and council.

### b. Schedule B - Award Approval and Contract Execution Authority

- The current table is updated to include contract execution authority, refreshed to include managerial level approval for procurement staff, and to align the Sole Source approval authority with Single Source approvals.
- A new Amendment Award Authority table is added to clarify the approval process for amendments.

### c. Schedule C - Legal Review Requirements

- New Schedule added, setting out the requirements for consulting Legal Services in association with certain types of Procurements to ensure risk mitigation, compliance with contract terms and appropriate contract management. This addition will also address a prior audit recommendation.

### d. Schedule D - Authorities, Responsibilities and Duties of Staff

- A separate schedule created to outline the responsibilities and accountabilities of staff to ensure it aligns with Award Approvals and Contract Execution Authority, providing clarity and ease of reference.

## 3. Collaborative Procurements

An updated Collaborative Procurements Section will allow the City to attain savings through combining volumes of Goods & Services to provide best value for the City and further enhance relationships with other public sector entities.

## 4. Exemptions

The application of the policy and exemptions have been updated to meet operational requirements. Specific exemptions are referenced in the policy; and where there is a need for additional policies and bylaws, they will be presented to City Council for approval separately.

## **Financial Impact**

None.

## **Operational Impact**

With the new Policy updates, procedures and other policies will be updated, and new ones developed to strengthen procurement governance and streamline processes.

Training will be delivered at both the corporate level and a customized departmental level according to roles and responsibilities.

## **Conclusion**

The PS-003 Corporate Procurement Policy has been reviewed for its effectiveness and through research and consultations, it has been determined that the proposed revisions will strengthen procurement governance within the City. It is recommended that the proposed policy be adopted effective July 1, 2023.

**For more information**, please contact:

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## **Attachment**

1. Corporate Procurement Policy 2023

## **Prepared by**

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## **Approved by**



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Legal and Administrative Services &  
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## **Reviewed by**



Vince Musacchio  
on behalf of Nick Spensieri,  
City Manager