

Public Procurement and Proposed 2019 Purchasing Bylaw



Purchasing Objectives

1. To ensure a fair, open and transparent process
2. To obtain good value for the Town of Caledon
3. To encourage “green” procurement

Public vs. Private Sector Procurement

Public Sector Procurement

- Legislation & case law
- Transparency
- Equal and fair treatment of all vendors
- Duty of care and integrity
- Taxpayer funds

Private Sector Procurement

- Independent/self directed
- Closed process
- Negotiations
- Preferred suppliers
- Rarely challenged
- Corporate funds

Black Out Period

This period starts when the bid document is issued and ends when a contract is signed.

Communication with Bidders or suppliers during the Blackout period is not permitted.

All inquiries are to be directed to the designated buyer.

Staff and members of Council are not to answer any questions or have any discussions with any supplier, bidder or interested party during the blackout period

Bidders or suppliers that do adhere to the blackout period or lobby in any form during this period may be disqualified from bidding on Town business.

Procurement Process

| Decentralized General Manager is responsible for the procurements in their respective departments | Centralized Procurement process overseen by the Purchasing & Risk Management Division |
|--|---|
| <p>Purchase up to \$10,000 – minimum one quote required</p> <p>Purchase between \$10,001 to \$49,999 – minimum three written quotes required</p> | <p>All purchases of \$50,000 and greater are managed as a public bidding opportunity or brought forward to Council as a non-standard procurement award.</p> |

Common Procurement Methods

| Procurement Process | Description |
|--|--|
| Request for Quote (RFQ) | Informal quotation for goods and services up to \$50,000 in value |
| Request for Tender (RFT) | Publicly advertised bidding opportunity awarded to the lowest priced compliant bidder |
| Request for Proposal (RFP) | Publicly advertised bidding opportunity awarded to the highest scoring proponent |
| Request for Negotiated Proposal (NRFP) | Publicly advertised bidding opportunity awarded to the highest scoring proponent after successful negotiations |
| Request for Prequalification (RFPQ) | Bidding opportunity to evaluate proponent skills and qualifications. A subsequent bidding process may follow and only the prequalified proponents would be invited to bid. |
| Expression of Interest (EOI) | Publicly advertised request to seek potential suppliers |
| Request for Information (RFI) | Publicly advertised questionnaire to assist in formulating a scope of work for an upcoming procurement |

Vendor Performance

The Town has a vendor code of conduct which must be adhered to by all vendors and their subcontractors.

The Town has a vendor performance program which includes incident reporting and a vendor performance scorecard. Vendors that do not meet their contractual obligations may be banned from future bidding opportunities.

Trade Agreements

The Canadian Free Trade Agreement (CFTA)

Entered into force on July 1st, 2017.

Objectives:

1. promote an open, efficient, and stable domestic market
2. Reduce and eliminate to the extent possible, barriers to the free movement of persons, goods, services, and investments within Canada

The Comprehensive Economic and Trade Agreement (CETA)

Entered into force on September 21, 2017.

A free-trade agreement between Canada, the European Union (EU) and its member states. Goal is to eliminate 98% of the tariffs between Canada and the EU

Why a Purchasing Bylaw

- The *Municipal Act 2001, S.O. 2001, c.25* requires that every municipality have a policy with respect to its procurement of goods and services.
- Prescribes the principles, procedures, roles and responsibilities for the Town's procurement operations.
- The Town's Purchasing Bylaw is publicly available and posted in the By-laws section of the Town of Caledon's website.

Proposed Key Changes to the Purchasing Bylaw

| Current Purchasing Bylaw | | Proposed Purchasing Bylaw |
|--------------------------|--|---|
| 1 | Contract language used | Simpler language used |
| 2 | All procurement contract awards over \$2M require Council approval prior to award | Procurement contracts will not require Council approval prior to award if the award is within the Council approved budget. |
| 3 | The Manager, Purchasing, CFO and Treasurer can approve all sole source procurements, regardless of value | The Manager, Purchasing, CFO and Treasurer can approve all sole source procurements up to \$50,000 in value. Council must approve all sole source procurements over \$50,000. |
| 4 | Does not include a vendor code of conduct | Includes a vendor code of conduct |
| 5 | Does not include protocols | Includes protocols for; <ul style="list-style-type: none"> a. Procurement Protest b. Vendor evaluation c. Vendor suspension d. Non competitive procurements |
| 6 | Includes a Green Purchasing Policy | A more robust Environmental and Social Procurement Protocol replaces the Green Purchasing Policy |

Electronic Bidding (e-bidding)

The Town utilizes electronic bidding technology (e-bidding) for all competitive procurements over \$50,000 in value. Bidders and the public can view the Town's procurement opportunities at

<https://caledon.bidsandtenders.ca> .

Features:

- Free bid document preview for the public
- Free Notification of bidding opportunities that match supplier business categories
- Download bid documents and related documents
- Complete and submit bids on-line

2018 Purchasing Division Statistics

| | |
|---|--------------|
| Number of Contracts awarded (over \$50,000 in value) | 59 |
| Budget for awarded contracts | \$23,594,083 |
| Award amount (including non-recoverable HST) | \$19,616,961 |
| Initial savings | \$3,977,122 |

Next Steps

Public Open House on March 26, 2019

Council Consideration of revised Purchasing Bylaw – April 30, 2019

How to do business tradeshow – includes the Town of Caledon and other surrounding municipalities

April 11, 2019 at the Pearson Convention Center

Draft Purchasing Bylaw, protocols, and vendor code of conduct is already available for viewing at www.caledon.ca/purchasing