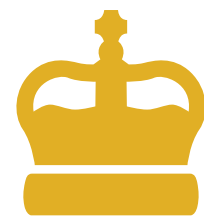


Procurement Policy Change



NEW WESTMINSTER

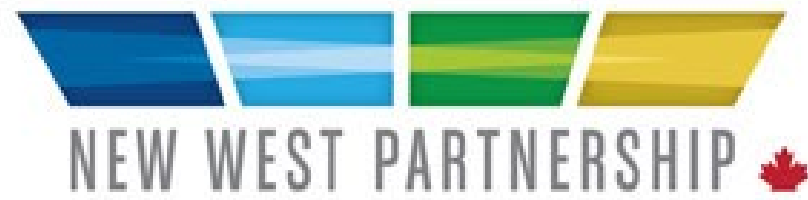
Proposed Changes for Procurement Policy

Changes to the current version of the City's Procurement Policy is being suggested to support the City's departments in delivery of their projects and to streamline the process in obtaining approvals when time is of the essence.

There are two recommended changes to the policy:

- Change 1 – align the City to the New West Partnership Trade Agreement (NWPTA)
- Change 2 – revise the approval levels for sole source approvals

Change 1 – Align with NWPTA



All public bodies in Canada must comply with trade agreements within the country and external countries as well. The City's Procurement Policy original intention was written to ensure that the City complied with all trade agreements specially AIT (Agreement on Internal Trade) and NWPTA. The most important part of all trade agreements is the threshold of when a public process is required.

Public sector corporations are divided into different groups and Cities are considered to be the MASH group. It is common practice to look at all the trade agreements and to choose the ones that have the lowest thresholds which allows for more opportunities for organizations to bid on work in a fair and transparent process.



Change 1 – Align with NWPTA

	2013	2024
Goods/Service	\$75,000	75,000
Construction	\$75,000	\$200,000

The objective of changing the wording is:

- ✓ Aligns directly with the trade agreement and closer reflects the current environment
- ✓ Reduces the resource requirements for City staff
- ✓ Reduces the level of effort required by construction companies to respond to a public process
- ✓ Allows for a quicker response to requests and quicker to get the project completed.

The process for engaging companies regardless of the threshold will not change, 3 quotes will be required and this will be monitored by the Purchasing Department.

Change 2 – Modify the Sole Source approval levels

With the increasing challenges facing organizations across the world there is still the need for public entities to sole source work that is exceeding the thresholds outlined in trade agreements.

Why do sole source requests occur?

Why?

- Urgent work is needed to be completed and where proceeding with a public process increases costs and risks.
- Previous experience
- Availability
- Meets the city's social and environmental objectives
- Project scope or complexity has increased
- Cost effective

What is required of City staff?

- City staff are required to complete an exemption form with information on why the request, what type of work and the amount.
- Depending on the amount of the sole source different approvals are required.



Note: *The City has taken several steps to reduce the number of sole source requests with pre-qualified supplier lists and more pro active planning but there will always be a need for a sole source.*

Change 2 – Modify the Sole Source approval levels

Revised approval levels will allow staff to address issues in a timely manner.

	2013	2024
Purchasing Manager	\$50,000	75,000
CFO	\$75,000	\$300,000
CAO	\$150,000	\$500,000

Reporting:

In the quarterly financial statements a Major Purchasing Report is provided, the report outlines on all contracts awarded during the period in excess of \$100,000 and all sole source awards in excess of \$50,000. These amounts will not be changed.

Recommendation

City Staff is recommending:

THAT Council direct staff to proceed with modifying the amount required for a public process for construction projects over \$200,000 to align with the New West Partnership Trade Agreement.

THAT Council direct staff to proceed with modifying the sole source approvals and increasing the amount to \$500,000 before receiving Mayor and Council approval.

