

**Subject: Procurement Policy****APPROVALS:****Annette Antoniak**\_\_\_\_\_  
Director\_\_\_\_\_  
Chief Administrative Officer**Recommended Motion:**

THAT Procurement Policy FIN-100, dated February 26, 2019, be approved; and

THAT Procurement Policy PUR-100, dated January 26, 2016, be rescinded.

**Summary:**

The existing Procurement Policy PUR-100 was last updated and approved on January 26, 2016 and is due for review. A Council policy sets out high-level overall plans and identifies general principles and standards for the organization. Greater detail is established in the administrative procedure and standard operating procedures. The Procurement Policy has been updated to include changes to legislation as well as to add the guiding principle referring to social procurement. In addition, due to a governance framework change, Procurement Policy PUR-100 will now be referenced as FIN-100.

**Background:**

As a public-sector entity, the Municipality must adhere to applicable legislation, including the New West Partnership Trade Agreement (NWPTA), the Canadian Free Trade Agreement (CFTA) and the Canada-European Union Comprehensive Economic and Trade Agreement (CETA) when conducting procurement activities. Although the procurement thresholds may differ, the similarities remain in requiring open, transparent and non-discriminatory treatment to all suppliers. The updated Procurement Policy has removed the reference to the Agreement on Internal Trade (AIT) since it was replaced by the Canadian Free Trade Agreement (CAFTA) on July 1, 2017.

In response to recommendations included in the internal audit conducted by MNP, standard operating procedures (SOP) were updated and are currently in use. The updated administrative procedure is in progress and will be finalized to ensure alignment once Council has approved the Procurement Policy. Council approval of the administrative procedure and standard operating procedures are not required.

The guiding principle referring to social procurement has been added to the Procurement Policy. Social procurement leverages existing purchasing power to increase community benefits. The emphasis will be on recognizing and rewarding initiatives undertaken by contractors and suppliers. Goods and services are still purchased through a competitive and transparent bidding process, while added value is sought by including community benefit criteria as part of the bid evaluation process.

On January 26, 2016, Council approved a recommendation from Administration to develop a Social Procurement Framework, a process to leverage existing spending to achieve targeted and desirable community benefits. A pilot plan was developed but implementation was delayed until September 2016 due to the wildfire event. During the pilot phase, completed in May 2017, the following was completed:

- Community Benefit Agreements (CBA) were included for Request for Proposals on urban snow clearing, sports field maintenance, drainage improvements and community entrance signs. All used some of the local workforce to achieve successful completion of their projects.
- At the time, representatives of the Municipality had met with social agencies and organizations to further the dialogue regarding social procurement.
- Vendor Registry was rolled out to the community to give an opportunity to small-medium enterprises to quote on items that the Municipality requires for under threshold spending.

Unfortunately, due to resource limitations, a dedicated focus to implement the recommendations of the Competitive Procurement Audit, and changes in public procurement legislation have necessitated a review of the next steps to advancing social procurement. One of the next steps is to embed social procurement within the Procurement Policy in order to provide strategic direction.

### **Rationale for Recommendation:**

The Procurement Policy was due to review and update. In addition to references to updated legislation changes, social procurement will also be added as a guiding principle.

### **Strategic Priorities:**

Responsible Government

### **Attachments:**

**1. Amended Procurement Policy: FIN-100**

**2. Procurement Policy Amendment Presentation**