

Subject: Procurement Policy Revisions

Recommendation:

BE IT RESOLVED THAT Council receive Report # 2023-0155 – Procurement Policy Revisions, for information;

AND THAT Council approve the revisions to Policy S402-00, Procurement Policy – Purchasing Goods and Services.

Background:

On February 21, 2023, Council approved the revised Procurement Policy – Purchasing Goods and Services. The Town has implemented the new procurement policy and staff have been working with it for the past few months. Staff have determined that the policy generally facilitates transparent and efficient procurement and responsible management of public resources but does not provide sufficient flexibility to decline a bid or proposal where the proponent's lack of experience or unsatisfactory references indicate that it is not in the best interests of the Town to accept it.

Analysis:

The procurement policy currently contemplates that for certain procurement methods, the Town will accept the lowest compliant bid. While this is a common provision in municipal procurement policies, it does not give the Town sufficient flexibility to reject a low bid if it has a reasonable and good faith concern that the bidder may not be able to perform the contract. This is not an uncommon experience in the municipal world – completely unqualified parties will submit bids in the hope of getting any work or will intentionally underbid on price and hope to increase the costs during performance of the contract.

Requiring the Town to award a contract to a bidder that clearly does not have the capacity required for a project is not in the best interests of the Town or the public. The proposed revisions to the procurement policy authorize the Town to reject a low bid where the bidder's experience or references result in a reasonable and good faith concern that the bidder will be unable to deliver the contracted goods or services or that the bid is not in the best interests of the Town.

Financial Considerations:

Ensuring that contracts are awarded to capable proponents facilitates project efficiency and thereby promotes the responsible management of public resources.

Alternatives Reviewed:

None.

Strategic Plan Relationship: Financial Health

The proposed revisions to the procurement policy will facilitate the ability of the Town to ensure that contracts are awarded to suitable proponents, which will promote the efficient and appropriate use of public resources.

Consultation:

Senior Leadership Team.

Other Pertinent Reports/Attachments:

Revised Procurement Policy – Purchasing Goods and Services S402-00.

Prepared and Recommended by:

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Approved and Submitted by:

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