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Town of Aurora
Information Report
No. FIN22-038

Subject: Q3 2022 Procurement Report

Prepared by: Anna Ruberto, Procurement Manager

Department: Finance

Date: December 6, 2022

In accordance with the Procedure By-law, any Member of Council may request that this Information Report be placed on an upcoming General Committee or Council meeting agenda for discussion.

Executive Summary

This report presents procurement information for Q3 of 2022 as per the Town's procurement by-law reporting requirements including:

- Four competitive bid contracts exceeded \$250,000 during this reporting period
- One non-standard procurement contract was awarded with a value up to \$250,000
- One awarded open competition contract identified as using the Green Procurement Policy

Background

An award to Suppliers can occur when there is sufficient budget as approved by Council during the budget process. The authorization to initiate the procurement is by the Department Head and the delegated authority to award is the Division Manager and the Procurement Manager. There is a purchase order (PO) and legal contract when the award is over \$50,000. Contracts less than \$1,000,000 are executed by the Department Head and contracts over \$1,000,000 require the approval of the Chief Administrative Officer (CAO). Pursuant to section 9.3 of the by-law, the Procurement Manager shall prepare a quarterly summary information report to Council outlining all awarded open competition contracts.

A Non-Standard Procurement may be used for the procurement of goods, services, or construction under specific circumstances. The methods include acquiring

deliverables directly from a particular supplier without conducting a competitive process when an invitational competition or an open competition would normally be required and soliciting bids from a limited number of suppliers without conducting an open pre-qualification process when an open competition would normally be required.

The Procurement Bylaw Section B – Exclusions provides the circumstances in which non-standard procurements are permissible. A non-standard procurement may be used when there is only one source that is able to meet the requirements of the procurement, which may be due to their unique ability or skill, possession of proprietary technology, copyright, patent or other intellectual property. Additional approved criteria include when there is more than one supplier available however, a certain supplier needs to be retained for reasons of standardization or compatibility with existing products or where a contract is required due to a contract termination or expiry, for a short interim period to meet immediate recurring business requirements.

Non-standard procurements authorization to procure require approval of the CAO up to \$100,000 and the Procurement Governance Committee (PGC) between \$100K to \$250,000. Over \$250,000 there is a requirement for Council approval to authorize the procurement. For the procurement of software licenses, maintenance and pay related fees (excluding implementation costs), for contracts of up to five years and over \$250,000, the PGC is authorized to procure. The contract issuance and execution requirements follow the same thresholds as standard open competition procurements.

Sections 9.3 of the procurement by-law requires the Procurement Manager to prepare a quarterly summary information report to Council outlining all awarded non-standard Procurements not requiring Council approval. This report excludes emergency procurements which have separate reporting requirements and low and mid value procurements under \$50,000.

All procurement thresholds and item in this report exclude the harmonized sales tax.

Analysis

Four competitive bid contracts exceeded \$250,000 during this reporting period

From July to September of 2022, there were four awards made over \$250,000, for a total award amount of \$1,817,448.35.

Table 1
Q3 2022 Competitive Bid Contracts Awarded Over \$250,000

| Procurement Number & Description | Department & Division | Supplier Name | Term | Amount (Excl. Hst) |
|---|--|---|---|---------------------------|
| 2022-19-OPS-P Treeazin Treatment of Emerald Ash Borer | Operational Services - Parks | Treescape Tree Care Professionals Limited | PO issued 07/13/2022 5 Year Term (with Two One Year Optional Term) | \$405,270.00 |
| 2022-56-OPS-W Emergency Sewer Lateral Services | Operational Services – Water/Waste Water | 2665724 Ontario Inc. o/a JS Home Services | PO issued 08/03/2022 5 Year Term (with Two One Year Optional Term) | \$389,000.00 |
| 2022-61-PDS-ENG Pave Snow Storage Facility | Planning and Development Services – Engineering Services | Graham Bros. Construction Limited | PO issued 07/05/2022 | \$724,351.35 |
| 2022-67-PDS-ENG Intersection Pedestrian Signal - Henderson | Planning and Development Services – Engineering Services | Aqua Tech Solutions Inc. | PO issued 08/22/2022 | \$298,827.00 |

One non-standard procurement contract was awarded with a value up to \$250,000

There was one non-standard procurement award for Operational Services for a total award amount of \$59,000.00.

Table 2
Q3 2022 Non-Standard Procurement Contracts Awarded

| Procurement By-Law Reference | Department & Division | Supplier Name | Procurement Number and Description | Amount (Excl. Hst) |
|---|------------------------------|------------------------------|--|--------------------|
| <p>"The Procurement is for additional deliveries by the original Supplier of goods or services that were not included in the initial Procurement if a change of Supplier for such additional goods or services:</p> <ol style="list-style-type: none">1. cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, software licenses and maintenance, services, or installations procured under the initial procurement; and2. would cause significant inconvenience or substantial duplication of costs for the Town." | Operational Services - Parks | Royal Building Cleaning Ltd. | 2022-76-OPS-P The company is to provide additional Parks washroom cleaning services in order to combat COVID. The Town has already been utilizing Royal Building Cleaning to clean indoor facilities at the Town. | \$59,000.00 |

Advisory Committee Review

None

Legal Considerations

Pursuant to section 9.3 of the Procurement By-law, as amended, the Procurement Manager shall prepare a quarterly report of awarded procurements exceeding \$250,000 and non-standard purchases not requiring Council approval, excluding low and mid value procurements (i.e., less than \$50,000). This report satisfies these provisions.

Financial Implications

The value of awarded procurements which exceed \$250,000 represent a financial obligation to the Town of \$1,817,448.35. Additionally, the above list of awarded Non-Standard Procurements represent a financial obligation to the Town of \$59,000.00.

Communications Considerations

The Town will inform residents about the details contained in this report by making it available on the Town's website.

Climate Change Considerations

The Green Procurement Policy (GPP) was approved by Council on February 22, 2022. Town staff are responsible for ensuring that their procurements address the green procurement objectives in a manner consistent with the Green Procurement Policy. Procurements may be considered eligible for green procurement when the Town has identified environmental standards for the good or service and/ when the budget for the good or service being procured identifies it as a green initiative. Town staff may also consider green procurement for other purchases. The reporting requirements of the GPP are within Section 3.4 and requires the quarterly report to Council include a summary of the Town's green procurement over \$50,000. The open competition procurements identified as using this policy are outlined in Table 3.

Table 3
Q3 2022 Contracts Awarded with Green procurement

| Procurement Number & Description | Department | Supplier Name | Green Procurement Good / Service | Amount (Excl. Hst) |
|----------------------------------|------------|---------------------------|--|--|
| 2022-54-F Office Supplies | Finance | Staples Professional Inc. | <p>The consideration of environmental impacts within a procurement can include green initiatives related to processes, products, and new technologies. This procurement is for the provision for office supplies. The evaluation of this procurement included the following:</p> <ol style="list-style-type: none"> 1. Environmental Policy – The company’s environmental policy and current programs in effect. 2. Recycle Program – Description of company’s recycling program offerings. 3. Reduce, Reuse, Recycle concepts – Examples of how environmental concepts have been implemented. 4. E-Business plans – Current web capabilities and future e-business and web application plans. | <p>Up to \$70,000.00 per year (\$210,000.00 total) Depends on Usage (Payment through P-Card)</p> |

Link to Strategic Plan

Regular reporting to Council on the Town's awarded contracts contributes to achieving the Strategic Plan guiding principle of "Leadership in Corporate Management" and improves transparency and accountability to the community.

Alternative(s) to the Recommendation

None

Conclusions

The Bylaw and Green Procurement Policy requirements to provide a quarterly procurement report summarizing awards over \$250,000; non-standard procurements, not requiring Council approval and procurements over \$50,000 with green procurement initiatives, has been fulfilled.

Attachments

None

Previous Reports

None

Pre-submission Review

Agenda Management Team review on November 17, 2022

Approvals

Approved by Rachel Wainwright-van Kessel, CPA, CMA, Director, Finance/Treasurer

Approved by Doug Nadorozny, Chief Administrative Officer