



PROPOSED AMENDMENTS TO PURCHASING BY-LAW

Presentation to General Committee
May 11, 2009

Proposed Amendments to Purchasing By Law

Background

- The Town's Purchasing department presented proposed amendments to the Purchasing By-law at the December 15, 2008 General Committee meeting
- The amendments reviewed during this meeting included the following:
 1. Authority levels (increased) to award contracts resulting from Tenders & RFQ
 2. Other (Non competitive procurement)
 3. Administrative changes (add definitions, termination, Expression of Interest, Conflict of Interest, Green Procurement, meeting title changes i.e. F&A to Genl Ctee etc.,)
 4. Reporting to Council
- Council requested Staff to provide examples of contracts previously approved by Council that would not require Council approval as per the proposed amendments

Proposed Amendments to Purchasing By Law

Re-cap of salient features of the proposed amendments

Proposed - Authority Levels to be increased for contracts awarded through Tenders/RFO if the following criteria are met:

- The award is to the lowest priced bidder
- The expenses relating to the goods/ services is included in the budget (Operating/Capital)
- The award is within budget
- The award results from the normal tendering process of the Town
- The term of the contract is for a maximum of 4 years
- There are no litigation between the successful bidder and the Town
- There are no bidder protests or disqualified bidder at the time of contract award

Proposed Amendments to Purchasing By Law

E.g. Tenders awarded to lowest bidder / within criteria in 2008 that was approved by Council. Under the proposed amendments these awards would have been approved by Staff

Project Description	Contract Value	Criteria Met
Traffic calming at Royal Orchard Blvd, Carlton Rd and Village Parkway Value	\$ 373,464.00	Yes
Supply and Delivery of Heavy Duty Vehicles Value	\$ 392,400.00	Yes
Supply and Installation of Trees for Fall 2008 and Spring 2009	\$ 429,815.00	Yes
Markham Museum Ward Building Rehabilitation award for construction	\$ 495,400.00	Yes
Multi-Use-Path Construction, Major Mackenzie Drive from Prospector's Drive to Highway 48	\$ 535,612.50	Yes
Microsoft Licencing Agreement	\$ 610,687.71	Yes
East Cathedral Community Park Construction	\$ 643,325.00	Yes
Wismer North Community Park Construction	\$ 646,288.80	Yes
Townwide, Pavement Markings	\$ 762,268.20	Yes
John Street Bridge Superstructure Replacement over East Don River (B02)	\$ 652,510.00	Yes
19 th Avenue Bridge Replacement over the Little Rouge Creek (East of Highway 48, B19)	\$ 754,930.00	Yes
Townwide Building Mechanical Maintenance	\$ 998,902.36	Yes
Steeles Avenue East Watermain Replacement (Phase 2) from Henderson Avenue to Bayview Ave	\$ 1,062,465.25	Yes
Restoration of Concrete Curb and Sidewalk	\$ 1,574,250.00	Yes

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E.g. Tenders awarded that did not meet criteria in 2008 that was approved by Council. Under the proposed amendments these awards would continue to require Council approval

Project Description	Contract Value	Reason for outside criteria
Laboratory Sampling Analysis	\$ 534,477.00	Preferred Supplier
60 Esna Park Drive – Building Demolition and Site Remediation	\$ 732,260.00	Over Budget
Streetlight maintenance, repair and relamping	\$ 735,413.00	Preferred Supplier
Langstaff Area Master Plan	\$ 903,460.00	Request For Proposal
2008 Relining of Cast Iron and Ductile Watermains	\$ 947,430.00	Disqualified bidder
Animal Control Services	\$ 369,999.96	Preferred Supplier
Birchmount Utility Relocation – Phase II	\$ 1,500,000.00	Preferred Supplier
Supply and Operation of Tandem/Single Axle Combination Plows	\$ 11,749,150.00	Over budget / contract > 4 years
Sidewalk Winter Maintenance	\$ 11,279,100.00	Over budget / contract > 4 years
Woodbine Bypass Construction – Phase 1	\$ 11,983,279.68	Pre-qualification

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Comparison with other Municipalities Authority to award contracts for Tenders

Regions and Municipalities	\$100,000 - < \$350,000	>\$350,000	>\$500,000
Markham(Current)	CAO	Council	Council
Markham (Proposed)*	Commissioner	CAO	CAO
York	CAO	CAO	CAO
Peel	Director	Director	Director
Durham	CAO	CAO	CAO
Halton	CAO	CAO	CAO
Brampton	Commissioner	Commissioner	Commissioner
Oakville	Commissioner	CAO	CAO
Ottawa	CAO	CAO	CAO
Hamilton	CAO	Council	Council
Niagara	CAO	CAO	CAO
Richmond Hill	Council	Council	Council
Mississauga	Directors	Commissioner	Council
Vaughan	Council	Council	Council

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Summary of Proposed Changes

1. Authority to Award Contracts

Award (\$)	Tenders		RFQ's	
	Current	Proposed	Current	Proposed
		Within Criteria	Within Criteria	Outside Criteria
<5k	Non competitive process (authority to purchase by staff authorized by Commissioner)			
>5k and <25k *			Director	Manager**
>25k and <100k			Director/Commsnr	Director
>50k				Commissioner
>100k and < 350k	CAO	Commissioner		
>350k	Council	CAO		

* No change to existing authority to award Consulting and Professional Services up to \$25k

** Align with expenditure control policy

Note: No change to Request for Proposal (RFP) authority levels

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Summary of Proposed Changes

2a. Non Competitive Procurement (e.g. Preferred Supplier / Single Source)

	Current	Proposed
\$5k - \$350k	CAO	
>\$350k	Council	
\$5k - \$50k		Commissioner
\$50k - \$350k		CAO
>\$350k		Council

2b. Non Competetive Procurement - Relocates

	Current	Proposed
\$5k - \$350k	CAO	
>\$350k	Council	
\$5k - \$350k		Director (Engineering) or Commissioner (Development Services)
>\$350k		Council

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NEXT STEPS

- Report recommending proposed amendments received and approved by General Committee
- General Committee recommendation to Council for approval
- Amended By Law passed at Council