

# Staff Report to Council

**Title:** Amendment to Procurement Policy

**Report Number:** Financial Services-2025-09

**Director:** Corporate Services

**Manager:** Manager.

**Meeting Date:**  
Wednesday, May 14, 2025

**Date to be considered by Council:**  
Wednesday, May 14, 2025

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## Recommendation:

That Council adopt the amendments included in the attached updated Procurement Policy FIN.08; and

That Council repeal the former Purchasing and Procurement Policy GG.2.17.

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## Executive Summary:

The purpose of this report is to update the Procurement Policy in accordance with Report Financial Services-2025-05 to align procurement thresholds with the CFTA threshold for Goods and Services, as directed by Council through Resolution #04/23/25-05. Staff has also taken the opportunity to review the Procurement Policy for any other amendments that may be required.

## Strategic Priorities:

D.16-Ensure the Municipality provides value for money and long-term sustainability

## Financial Considerations:

Staff obtained the assistance of legal counsel in the development of the updated policy with respect to U.S. tariffs, which has amounted to ~ \$1,500. A portion of the legal fees have been shared with a neighboring lower-tier municipality that has also undertaken a similar review in order to minimize costs.

## Policy:

Procurement Policy GG.2.17

## Context and Background Information:

On April 23, 2025, Staff brought forward Report # Financial Services-2025-05 to provide information to Council regarding the implications of U.S. tariffs on municipal procurement and recommendations to better position the Municipality to be able to prioritize Canadian goods and services.

Council supported the recommendations and passed the following resolution:

That Staff Report Financial Services-2025-05 U.S. Tariffs Implication on Procurements dated April 23, 2025 be received;

That Staff be directed to modify Purchasing and Procurement Policy GG.2.17 and current procurement practices to align procurement thresholds with OQCTA and CFTA thresholds for goods and services;

That Staff be directed to promote Canadian purchasing where feasible and allowable within the amended Purchasing Policy through invitational procurement on goods and services up to \$133,800;

That staff continue to monitor any changes to the tariffs and/or direction from the Federal or Provincial government, and report to Council as necessary; and

Further that staff be authorized and directed to do all things necessary to give effect to this Resolution.

The Procurement Policy has been reviewed and amended to include an increase to the purchasing thresholds to align with the CFTA Threshold for goods and services, which is currently \$133,800. Rather than including a specific currency amount in the Policy, this threshold has been defined under Section 3 Definitions to allow for annual inflationary adjustments.

All proposed amendments to the Procurement Policy have been highlighted in yellow in the attached document. Amendments include the following:

- Use of the new Policy template and updated numbering system
- New definition for 'CFTA Threshold'
- Update to Section 4.4 Treasurer's Responsibilities to include communicating the CFTA threshold to all staff
- Modified Section 5.3.2 to include the Treasurer (jointly with the CAO) in the approval to award all contracts > \$25,000.
- Removed Council approval of competitively tendered contracts. Previously, all competitively tendered contracts > \$100,000 required the approval of Council.
  - Streamlining involvement in approving competitively awarded contracts aligns with recognized good governance practices and promotes operational efficiency. As legal counsel advised, in a competitive procurement, it is the bidding process – not Council – that determines the successful bidder, making Council approval largely symbolic. Modern procurement governance models adopted by many Ontario municipalities reserve Council's oversight for higher-risk situations, such as non-competitive procurements or where staff do not recommend awarding to the top-ranked bidder, both of which may involve legal or reputational risks. As affirmed in the 2020 Collingwood Inquiry, elected officials should remain at arm's length from procurement decisions to preserve fairness and transparency.

Additionally, requiring Council approval for routine competitive awards creates unnecessary administrative burdens and delays project delivery and access to goods and services. Delays are particularly problematic during times of pricing volatility – where vendors may bid a price that they may not be able to honour if the municipality delays in awarding the contract.

Examples of other municipalities that do not involve Council in approvals include Uxbridge, Scugog, Brock Orangeville and others.

- Section 5.3.5 Special Council Approvals was modified to include the requirement for Council to approve all contracts exceeding the budget amount and also exceeding the stipulated Budget Transfer Authorities set out in Section 5.2 of the Policy.
- Updated Section 5.3.3 to include the Treasurer (jointly with the CAO) the approval to proceed with a non-competitive procurement up to the CFTA Threshold (previously was \$100,000). All non-competitive procurements > CFTA Threshold must be approved by Council prior to proceeding with the procurement.
- Section 6.2.1 was updated to require a Public Competitive Procurement process for all procurements exceeding the CFTA Threshold.
- Section 6.3 was updated to include two (2) exemptions to Competitive Procurement:
  - Section 6.3.1 was added to allow non-competitive procurement for contracts < \$25,000.
  - Section 6.3.2 was added to allow non-competitive procurement for contracts between \$25,000 and the CFTA Threshold where the CAO or Treasurer determine that seeking competitive quotes is not in the best interest of the Municipality.

Staff will continue to work on updating the supporting procurement templates and RFx documents to align with the new Policy.

### **Consultation Overview:**

Municipal staff have consulted with the Municipality's procurement lawyer when developing the amendments to the policy.

### **Origin:**

Resolution #04/23/25-05

### **Implementation Considerations:**

The updated Procurement Policy would take effect immediately. Supporting templates, procedures, and RFx documents will be updated and shared on the Municipality's internal Sharepoint portal.

### **Risk Analysis:**

Based on consultations, there is an indication that trade-based discrimination against U.S. businesses or individuals may violate Ontario's Discriminatory Business Practices Act. There

are also indications that a municipal by-law that discriminates against U.S. suppliers for political reasons could be declared ultra vires of the Municipality's legal authorities.

Taking an anti-U.S. approach in procurement may not only deprive taxpayers of value for money, but there is a risk it may be successfully challenged by a U.S. vendor under applicable laws.

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**Attachments:** Procurement Policy FIN.08

**Prepared by:** Roxana Baumann

**Submitted by:** Roxana Baumann