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EXHIBITION PLACE

June 21, 2011

To: The Board of Governors of Exhibition Place

From: Dianne Young
Chief Executive Officer

ACTION REQUIRED

Subject: Amendment to Procurement Policy

Summary:

This report recommends an amendment to the current Procurement Policy for Exhibition Place, wherein a defined process has been included with respect to "Sole Sourcing" purchases.

Recommendations:

It is recommended that the Board approve an amendment to the Board's current Procurement Policy, as provided in Appendix "A" entitled the "Procurement & Sole Sourcing Policy" for Exhibition Place.

Financial Implications and Impact Statement:

There are no financial implications arising from the recommendations in this report.

Decision History:

At its meeting of December 10, 2004, the Board approved a revised "Procurement Policy" in keeping with the direction taken by City Council.

As part of the 2009 Strategic Plan, Exhibition Place has a Goal of *Sustaining a high-performing organization through alignment of people, processes and systems and through the recognition of our dedicated and excellent staff* and pursuant to that Goal will *continuously improve governance mechanisms including auditing City Council meetings* and amend by-laws and policies, if required, in keeping with City Council

Issue Background:

The Board's current procurement policy addresses sole sourcing purchases, however, a more detailed and defined "process" and "time line" has been developed to better reflect the Procurement Policy of the City of Toronto.

Comments:

The attached Procurement & Sole Sourcing Policy replicates most of the directions found within the City of Toronto "Procurement Policy" and provides much more details and direction to staff with respect to the sole sourcing purchases.

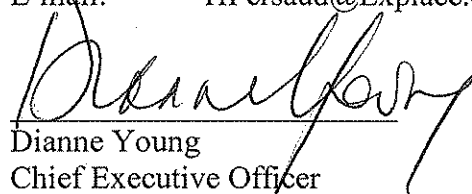
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Dianne Young

Chief Executive Officer



Exhibition Place

CALLED:	Procurement & Sole Sourcing Policy – Appendix “A”
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DATE OF ISSUANCE		
June	24	2011

SUPERCEDES POLICY DATED		
December	10	2004

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Policy Application

This policy applies to all Programs, Departments, Divisions and Service Areas of the Board and to all employees of the Board of Governors of Exhibition Place.

1. Exhibition Place Purchase Orders

In accordance with By-law #2-07 of the Board of Governors, goods and services including services of a professional nature costing less than \$50,000 in any one instance may be procured through an Exhibition Place Purchase Order.

Wherever possible, Purchase Orders shall be issued to firms that have existing contracts with the City of Toronto, provided that the goods and services offered meet the requirements of the Board.

For Exhibition Place Purchase Orders in excess of \$3,000 a Sole Source Request Form, attached to this policy, is to be completed, where required, and must be approved by the Department Head, must also receive the concurrence of the Manager of Purchasing, and finally, the approval of the Chief Executive Officer, before any commitments are to be made.

On an annual basis, the Chief Executive Officer and Chief Financial Officer will provide a report to the Board of Governors on all sole source purchase of goods and services in excess of \$3,000 on compliance with this policy indicating the reason for such request and the dollar amount.

In addition, the Chief Executive Officer, on a quarterly basis by project category, will report to all sole source purchases to the City of Toronto

For clarity, the \$3,000 threshold is measured over the immediate previous 12 month period, that is, while an initial \$2,000 commitment is below the limit for competitive purpose, once a second or subsequent purchase is done with the same supplier and the \$3,000 limit is reached, then the policy requires competitive quotes. Sole-source procurement is discouraged, but permitted under certain circumstances as outlined in the Sole Source Form, and within certain authorization limits; and for greater clarity, Sole Source means entering into a commitment without following a competitive process.

Non-competitive (Sole Source) procurement shall apply to the use of Purchase Orders only if one or more of the following conditions apply and a process of negotiation is undertaken to obtain the best value in the circumstances for the Board:

- (a) The goods and services are only available from one source by reason of:
 - (i) a statutory or market based monopoly
 - (ii) scarcity of supply in the market
 - (iii) existence of exclusive rights by patent, copyright or license
 - (iv) need for compatibility with goods or services previously acquired and there are no reasonable alternatives, substitutes or accommodations
 - (v) need to avoid violating warranties and guarantees where service is required
- (b) An attempt to purchase the required goods or services has been made in good faith using a competitive method and has failed to identify a successful supplier
- (c) The goods and services are required to satisfy the needs of a client of the Board and are paid for by the client.
- (d) The required goods and services are to be supplied by a particular vendor or supplier having special knowledge, skills, expertise or experience which cannot be provided by another supplier.
- (e) The nature of the requirement is such that it would not be in the public interest to solicit competitive bids as in the case of security or confidential matters.
- (f) The goods and services are required as a result of an emergency, which would not reasonably permit the use other methods permitted.

2. Selection and Hiring of Professional & Consulting Services

Noted below are some guidelines in the Selection and Hiring of Professional & Consulting Services. Similar to the City of Toronto, the Chief Financial Officer and Manager of Purchasing will impose controls for the awarding and management of consulting expenditures. The award of any contracts must be transparent, must uphold accountability and reliability of the Board's Financial By-Laws and above all must be able to withstand public scrutiny. The City of Toronto's view on non-compliance will be a breach of responsibility and as such could be subject to performance management and, as appropriate disciplinary action, up to and including dismissal.

With respect to various acts related to the CNEA and due to the unique and creative programming requirements for the CNEA (magical acts, mime artists, strolling bands, dancers, skating, etc.); the issuance of a Request for Proposal, Request for Quotation, or Purchase Order may not be practical, however, the Manager of Purchasing is to be consulted.

Guidelines in the Selection and Hiring of Professional and Consulting Services:

- (a) Consultants and professional services should only be utilized when specific projects require certain technical capabilities, or unique and specialized advice is not available in-

house. If available in-house, but staff are fully occupied with other tasks or assignments and the project requires very urgent completion, then such services can be considered.

- (b) The advice or services sought and the resulting expenditure can be justified as being necessary to satisfy program requirements.
- (c) Independent expertise is required by legislation or regulation
- (d) Priority projects require more or greater staff resources than are available
- (e) Outside Legal Consultants will be determined in consultation with the City Legal Department
- (f) Board/City has directed the use of external assistance

3. Reviews and Audit

The Chief Financial Officer shall review with the Manager of Purchasing the use of Exhibition Place Purchase Orders on an annual basis and report to the Chief Executive Officer on compliance with these policies.

The Chief Financial Officer shall undertake a comprehensive review of all Board Policies affecting the procurement and sole sourcing process every five years.

4. Ethics in Purchasing

In addition to any conflict of interest policy applicable to employees, as adopted by the Board from time to time, the code of purchasing ethics established by the National Institute of Governmental Purchasing Inc. and the Purchasing Management Association of Canada, shall apply to all Exhibition Place Programs, Departments, Divisions and Service Areas and all employees of the Board of Governors involved in the procurement and sole sourcing process.