

EXHIBITION PLACE

November 26, 2004

To: The Board of Governors of Exhibition Place

From: Dianne Young
General Manager & CEO

Subject: **Procurement Policy**

Purpose:

This report outlines a revised Procurement Policy in keeping with the direction taken by City Council.

Financial Implications and Impact Statement:

There are no financial implications with respect to the recommendations of this report.

Recommendation:

It is recommended that the Board adopt the "Procurement Policy" attached as Appendix "A".

Background:

At its meeting of July 20, 21 and 22, 2004, City Council adopted Clause No. 7 of Report No. 5 of the Administration Committee which recommended the adoption of a revised Chapter 195, Purchasing of the Toronto Municipal Code (the "Purchasing By-law") and associated amendments to Chapter 71, Financial Control of the Toronto Municipal Code (the "Financial Control By-law"), to address issues identified by the Auditor General. Section 271 of the *Municipal Act* requires that local boards adopt similar policies with respect to the procurement of goods and services before January 1, 2005.

Comments:

Exhibition Place staff have reviewed the Board's purchasing policy contained in the Board's Financial By-law 2-99 in light of Council new Procurement Policy. As the Board utilizes the services of the City of Toronto Finance Department's Purchasing and Material Supply Division for the processing of all purchase requisitions for goods and services which exceed \$10,000 per transaction, by extension, the City practices and policies will apply to Exhibition Place for matters over \$10,000. For transactions of less than \$10,000, the revised Exhibition Place

Procurement Policy attached as Appendix "A" mirrors the one adopted by Council except for modifications to language to address the particular nature of Exhibition Place.

Conclusion:

This report recommends the adoption by the Board of the policy entitled "Procurement Policy".

Contact:

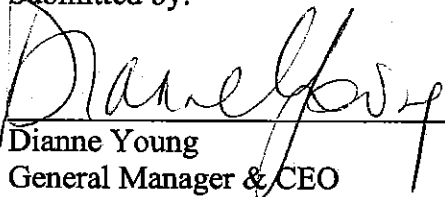
Paul Egli, Director of Finance

Tel: 416-263-3612

Fax: 416-263-3690

Email: pegli@explace.on.ca

Submitted by:


Dianne Young
General Manager & CEO

Appendix "A"

Departmental Purchase Orders of Less Than \$10,000

In accordance with By-law #2-99, goods and services costing less than \$10,000 in any one instance may be procured through an Exhibition Place Departmental Purchase Order.

Wherever possible, Departmental 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 Departmental Purchase Orders in excess of \$3,000 a minimum of three competitive prices will be obtained unless it is not commercially feasible for the reasons set out in paragraphs (a), (b) and (c) below and the commitment will be issued to the bidder with the lowest cost or the lowest life cycle cost meeting specifications.

For Departmental Purchase Orders below \$3,000 competitive pricing is recommended but not a requirement.

Non-competitive procurement shall apply to the use of Departmental 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 scarcity of supply in the market existence of exclusive rights by patent, copyright or license;
 - (ii) the need for compatibility with goods or services previously acquired and there are no reasonable alternatives, substitutes or accommodations; and,
 - (iii) the 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 immediate needs of a third party client of the Board and are paid for by the client

2. Reviews and Audit

The Director of Finance shall review with the Materials Manager/Purchasing the use of Department Purchase Orders on an annual basis and report to the General Manager & CEO on compliance with these policies. The Director of Finance shall undertake a comprehensive review of all Board Policies affecting the procurement process every five years.

3. 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 staff involved in the procurement process.

