
For Information

REPORT TITLE: Procurement Activity Report – T2 May 1 to August 31, 2023

FROM: Patricia Caza, Regional Solicitor and Commissioner of Legislative Services

OBJECTIVE

To provide the details of procurement activity as required by Procurement By-law 45-2023 for the second triannual period ending August 31, 2023.

REPORT HIGHLIGHTS

- The Procurement By-law delegates authority to staff to manage procurement processes and to report these activities to Regional Council on a regular basis.
 - Until such time as transition details related to the *Hazel McCallion Act (Peel Dissolution) 2023* are made clear, staff are proactively implementing strategies to ensure compliance and reporting to the Transition Board.
 - Enhancements that reflect emerging public procurement trends and industry best practices, and that continue to embody the guiding principles of integrity, fairness, openness and transparency are also being reviewed.
 - During the second triannual period of 2023, the Region of Peel awarded 66 new contracts greater than \$100,000 with a total value of \$328,045,766.99.
 - This report provides a summary of the Region’s procurement and disposal activity for the second triannual period of 2023.
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DISCUSSION

1. Background

The Procurement By-law (By-Law) requires that staff report to Regional Council regularly on procurement activity. The purpose of this report is to provide Regional Council with a summary of the procurement activity for the second triannual period (T2) of 2023, including awards made under delegated authority. Procurement activity is reported under the following categories (definitions in connection with the terms referenced below are contained in Appendix I of this report):

- Contract awards;
- Disposal of surplus goods and equipment;
- Emergency purchases;
- Awards during Regional Council recesses;
- Non-compliance with the By-Law;
- Emergency purchase increases;

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- Unforeseen circumstances;
- Final contract payments related to the original purchase contract; and,
- Vendor of Record purchases.

2. Key Highlights

Enhancements that reflect emerging public procurement trends and industry best practices, and that continue to embody the guiding principles of integrity, fairness, openness and transparency are being reviewed. These include, the By-Law review, which resulted in a new Procurement By-law enacted by Council on October 12, 2023, and various other initiatives. All are being undertaken to:

- Maintain trust and confidence in the stewardship of public funds through objective, fair, transparent and efficient procurement processes;
- Promote effective use of funds allocated by Regional Council through procurement methods, disposals and decisions that achieve best value for money;
- Ensure procurement processes that are in compliance with applicable legislation and trade agreements and that have regard for social, environmental and economic factors in the acquisition of goods and services;
- Enhance customer service; and,
- Create efficient, effective, and modernized services.

3. Procurement Activity and Disposal Summary – T2 2023

The table below provides a summary of the procurement and disposal activity for the second triannual period of 2023 (May 1- August 31). The Procurement Activity section of the table includes information on all awarded contracts in excess of \$100,000; emergency purchases; non-compliant purchases; vendor of record purchases; and awards made during periods of Regional Council recess. It also includes amendments made to existing contracts under delegated authority that were a result of unforeseen circumstances or were required for final payment purposes, as authorized under the By-Law. The Procurement Activity summary excludes contract renewal activity. A detailed listing of all procurement activity is referenced in Appendix II to this report.

The Disposal activity section summarizes the proceeds or trade-in values received from the disposal of Region of Peel surplus assets. A substantial disposal was finalized this triannual period. The Region is currently responsible for the collection and Processing of all Blue Box Material generated by residents within Peel Region. The Ontario Blue Box Regulation O. Reg. 39/21 will transition Ontario's blue box recycling program to full extended producer responsibility between July 1, 2023 to December 31, 2025. During this transition period municipalities will transition management responsibility for their blue box programs to producers. As the Region will no longer be responsible for the processing of Blue Box Material generated by residents, an asset purchase was completed using a competitive process for the disposal and purchase of the material recovery facility equipment. A detailed listing of the disposal activity is referenced in Appendix III to this report.

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Procurement Activity	Value
Competitive contracts approved under Delegated Authority (Procurement By-Law 30-2018, section 5.1)	\$327,557,029.99
Non-competitive contracts approved by Delegated Authority (Procurement By-Law 30-2018, section 5.2)	\$111,500.00
Non-competitive contracts approved by Council (Procurement By-Law 30-2018, section 5.2)	\$377,237.00
Contracts awarded during Council recess (Procurement By-Law 30-2018, section 5.8)	No Activity
Total New Contracts Greater Than \$100,000	\$328,045,766.99
Emergency purchases (Procurement By-Law 30-2018, section 5.2.4)	\$28,088.75
Established Vendor of Record purchases (Procurement By-Law 30-2018, section 5.1)	\$11,283,287.67
Digital Strategy purchases (Resolution #2015-71)	\$889,581.45
Market Volatility/Rising Inflation Increases and Amendments (Resolution #2022-599)	\$156,600.00
Final contract payments (Procurement By-Law 30-2018, section 5.6)	\$108,145.84
Unforeseen circumstances (Procurement By-Law 30-2018, section 5.6)	\$285,628.07
Non-compliant purchases (Procurement By-Law 30-2018, section 4.6)	No Activity
Total Activity	\$340,797,098.77
Disposal Activity (Procurement By-Law 30-2018, section 6)	
Total disposal proceeds received	\$42,209,614.13
Total trade-in values received	\$51,239.60
Total Donations – estimated value	\$2,200.00

In addition, a total of 49 contracts with a cumulative value of \$2,231,199.00 each valued at \$100,000 and under were procured during the reported period (does not include above noted purchases that are equal to or less than \$100,000).

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BILL 112 RISKS AND IMPLICATIONS

On June 8, 2023, Bill 112, *The Hazel McCallion Act (Peel Dissolution), 2023* received Royal Assent. The *Act* provides that The Regional Municipality of Peel will be dissolved and make the Cities of Brampton and Mississauga and the Town of Caledon single-tier municipalities, effective January 1, 2025. The proposed legislation provides for the establishment of a Transition Board to make recommendations on implementing the restructuring. Details of the transition including matters as they relate to Regional roles and responsibilities are not known at this time and are to be addressed in future reporting to Regional Council. Additional assessment to support the transition under Bill 112 will be provided as further details become known.

The recent legislative changes introduced by Bill 112, *The Hazel McCallion Act (Peel Dissolution), 2023* has caused increased complexity in the procurement process regarding contract structure, funding/budget approvals and vendor perceived risk to continue to support program needs for ongoing, critical operating and capital services.

Until such time as the transition details are made clear, staff are proactively implementing the following strategies to ensure compliance:

- Adherence to Council approved Guiding Principles, which state when entering into any transaction, commitment or agreement, including those that extend beyond January 1, 2025 as required for the continued delivery of services, in the public interest and in a manner consistent with past practices, having regard to the municipal restructuring and in a manner that does not unreasonably impact another municipality.
- Establishment of a decision-making framework, including risk mitigation strategies, to determine whether contracts should proceed, be paused or cancelled.
- Tracking of all awarded, paused and cancelled contracts to enable a full reporting to the Transition Board.

CONCLUSION

The Procurement By-law builds trust and confidence in the stewardship of public funds with an emphasis on awarding contracts based on best value. Continuous improvement and modernization efforts undertaken in connection with the Region's Procurement program build on these principles to continually measure and assess the effectiveness of the Region's procurement program and enhance value for money.

This report is submitted to summarize the Region's procurement and disposal activity for the second triannual period ending August 31, 2023, in accordance with the reporting requirements set out in the Procurement By-law, and to provide key highlights observed during the period arising from the continuous improvement and modernization initiatives undertaken by the Region's Procurement Division.

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APPENDICES

Appendix I - Definitions

Appendix II - Awarded Contracts – T2 2023

Appendix III - Disposal – T2 2023



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