Minutes – Executive Policy Committee – July 9, 2019

REPORTS

Item No. 2 Tracking Standing Order Contract Terms

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and recommended to Council:

1. That the Report be received as information

Minutes – Executive Policy Committee – July 9, 2019

DECISION MAKING HISTORY:

Moved by Councillor Gillingham,

That the recommendation of the Winnipeg Public Service be concurred in and forwarded to Council.

Carried

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On May 7, 2019, the Executive Policy Committee passed the following motion:

WHEREAS City Council is committed to building a stronger, more open, transparent and accountable government;

AND WHEREAS City Council has had to approve numerous single-source contracts to maintain consistent service due to automatic renewal clauses included in contracts, and due to the Winnipeg Public Service not providing adequate notice of termination prior to the end of contract terms in order to initiate a competitive bidding process;

AND WHEREAS on a go forward basis, the Winnipeg Public Service will ensure that any new procurement contracts entered into by the City do not provide for automatic renewals, unless otherwise approved by Executive Policy Committee or City Council;

AND WHEREAS the City of Winnipeg should comply, where applicable, to its own Materials Management policy and relevant trade agreements;

THEREFORE BE IT RESOLVED that the Winnipeg Public Service be directed to report back within 60 days with a plan that ensures end of contract terms are properly tracked and flagged across the public service.

ADMINISTRATIVE REPORT

Title: **Tracking Standing Order Contract Terms**

Critical Path: **Executive Policy Committee – Council**

AUTHORIZATION

Author	Department Head	CFO	CAO
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EXECUTIVE SUMMARY

In response to the Executive Policy Committee direction of May 7, 2019 that the Winnipeg Public Service create a plan that ensures the end of contract terms are properly tracked and flagged across the Public Service, Corporate Finance (Materials Management) developed a process for the tracking of standing order (on-going/long term) contracts.

The process (attached as Appendix 1) includes the tracking of contracts and on-going training to address the issues identified in the disposition. Contract expiry dates will be closely scrutinized and Materials Management (MM) will advise departments of upcoming follow-up dates on their contracts.

Executive Policy Committee should no longer receive reports requesting approval of procurement contracts that do not comply with the Materials Management Policy (Policy) or the various trade agreements.

RECOMMENDATIONS

1. That this Report be received as information

REASON FOR THE REPORT

On May 7, 2019, Executive Policy Committee directed the Winnipeg Public Service to report back within 60 days with a plan that ensures end of contract terms are properly tracked and flagged across the public service.

IMPLICATIONS OF THE RECOMMENDATIONS

There are no implications of the recommendation as the report is to be received as information.

HISTORY/DISCUSSION

In the past 12 months several contracts required Executive Policy Committee (EPC) approval as a single source interim contract because the original contract had expired and extending the contracts was not permitted under various trade agreements.

On May 7, 2019, EPC passed a motion that directed the Winnipeg Public Service to:

- ensure that any new procurement contracts entered into by the City do not provide for automatic renewals, unless otherwise approved by Executive Policy Committee or City Council;
- comply, where applicable, to its own Materials Management policy and relevant trade agreements;
- report back within 60 days with a plan that ensures end of contract terms are properly tracked and flagged across the public service.

Corporate Finance (Materials Management Division) is updating current practices to include direction and training to City departments based on the following:

List of current standing order/long term contracts.

To prevent expiration of standing order contracts in the future, Materials Management will provide, on a monthly basis, a standing order contract list to departments for monitoring contract details, including expiry and follow-up dates.

Departments are responsible to address the contract renewal prior to the expiration date.

Automatic Renewal Clause

Automatic renewal clauses should be avoided on any new procurement contracts. Where an automatic renewal clause cannot be avoided, EPC approval is required.

Comply with the Materials Management Policy and various trade agreements

Materials Management is expanding their ongoing training to include more emphasis on understanding the restrictions of the Materials Management Policy and the various trade agreements, including the importance of continuously monitoring standing order contracts to prevent contract expirations.

Further details regarding the tracking process and template are attached as Appendix 1.

FINANCIAL IMPACT

Financial Impact Statement **Date:** June 17, 2019

Project Name:

Tracking Standing Order Contract Terms

Comments:

There is no financial impact as this report is for information only.

(Original signed by T. Yachishyn)
Tanis Yanchishyn
Manager of Finance (Campus)
Corporate Finance Department

CONSULTATION

In preparing this report there was consultation with:

N/A

OURWINNIPEG POLICY ALIGNMENT

N/A

SUBMITTED BY

Department: Corporate Finance
Division: Materials Management
Prepared by: Barb D'Avignon
File No. N/A
Date: June 24, 2019

Attachments:
Appendix 1 - Contracts Tracking Process-Standing Order Contract Template