Minutes – Executive Policy Committee – June 18, 2020

REPORTS

Item No. 1 Revisions to the Materials Management Policy F1-003 to Delegate Authority to the Chief Administrative Officer to Approve Agreements related to Cooperative and other City Contracts

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee granted an extension of time of 30 days for the Winnipeg Public Service to report back on the matter.

DECISION MAKING HISTORY:

Moved by Councillor Orlikow,

That an extension of time of 30 days be granted for the Winnipeg Public Service to report back on the matter.

Carried

COUNCIL DECISION:

On December 12, 2019, Council concurred in the recommendation of the Executive Policy Committee and adopted the following:

1. That revisions to the Materials Management Policy, attached as *Amendment to the Materials Management Policy*, be approved, effective upon approval by Council.

2. That the Winnipeg Public Service report back to the Executive Policy Committee in 180 days with an update on the matter.

3. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On December 3, 2019, the Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service with the following amendment:

- Add the following new Recommendation 2 and renumber the remaining recommendation accordingly:

  "2. That the Winnipeg Public Service report back to the Executive Policy Committee in 180 days with an update on the matter."

and submitted the matter to Council.

ADMINISTRATIVE REPORT

Title: **REVISIONS TO THE MATERIALS MANAGEMENT POLICY F1-003 TO DELEGATE AUTHORITY TO THE CHIEF ADMINISTRATIVE OFFICER TO APPROVE AGREEMENTS RELATED TO COOPERATIVE AND OTHER CITY CONTRACTS**

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

AUTHORIZATION

Author	Department Head	CFO	CAO
B. D'Avignon Manager of Materials	P. Olafson	P. Olafson, Interim CFO	M. Ruta, Interim CAO

EXECUTIVE SUMMARY

Revisions to the Materials Management Policy (Policy) are recommended to bring the Policy up-to-date with current practices.

The Province of Manitoba (Province) has recently approached the City of Winnipeg with various opportunities to participate cooperatively under a group buying agreement with the Province and other public sector entities.

The recommended revisions to the Policy will delegate authority to the Chief Administrative Officer (CAO) to:

- approve participation in cooperative purchasing contracts with other public sector entities where the participation in a particular contract is in the City's best interest, in concurrence with Legal Services, even if such participation may not strictly comply with the various trade agreements;
- negotiate and approve the terms and conditions to enter into an agreement necessary to give effect to or establish the relationship of the City with the public sector body or group who will subsequently participate in a cooperative contract; and
- negotiate and approve the terms and conditions of any contracts awarded in accordance with the Policy.

RECOMMENDATIONS

1. That Council approve revisions to the Materials Management Policy, attached as *Amendment to the Materials Management Policy*, to become effective upon approval by Council.

2. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

Only Council has the authority to approve revisions to the Materials Management Policy.

IMPLICATIONS OF THE RECOMMENDATIONS

The proposed revisions to the Policy could reduce costs to the City inasmuch as they permit the City to participate with other public sector entities in contracts with third parties. There may be instances where the City chooses to participate in other public sector contracts that do not strictly comply with the various trade agreements but are determined to comply in spirit. The risks of such approval will be measured by Legal Services prior to the CAO's approval.

HISTORY/DISCUSSION

On March 24, 2004, Council adopted the Materials Management Policy which replaced the Policy on Purchasing Procedures and the Disposal of Surplus Supplies and the Policy on Assignment of Consultants.

All delegations of authority to the Winnipeg Public Service, pursuant to the Policy, are through the Chief Administrative Officer (CAO). This is consistent with the City Organization By-Law No. 7100/97.

The Policy sets out Council's direction and delegations to the Winnipeg Public Service. The Policy is free of administrative standards and procedures. The CAO issues administrative standards that establish procedures for the due administration of the Policy and the related delegations of authority within the Winnipeg Public Service.

Recommendations contained in the Report support the Motion passed by Executive Policy Committee on November 12, 2019.

The Table below demonstrates the detail of the revisions included in – *Amendment to the Materials Management Policy.*

Proposed revision	Comments
Add new: B8.1 (k) to approve participation in cooperative contracts with other public sector entities where the participation in a particular contract is in the City's best interest, even if such participation may not strictly comply with the various trade agreements, in concurrence with Legal Services	• There is a potential for the City, and other participants, to realize savings from participation in cooperative contracts due to the increased potential volumes of the buying group. • The Policy describes cooperative contracts as contracts arising through a solicitation conducted by the City or a public sector body ("public sector body" means a government, a non-profit organization, a charity, a municipality, a school authority, a hospital authority, a public college or a university) which includes a group composed of two or more parties. • There may be instances where the City chooses to participate in other public sector contracts that do not strictly comply with the various trade agreements but are determined to comply in spirit. The risks of such approval will be measured by Legal Services prior to approval.
Add new: B8.1 (l) negotiate and approve the terms and conditions to enter into an agreement necessary to give effect to or establish the relationship of the City with the public sector body or group who will subsequently participate in a cooperative contract	• Prior to participating in the cooperative contracts with other public sector entities, the City may be required to execute an agreement with the public sector entity. While the Policy may imply it, this amendment to the Policy is to make it clear to give the CAO the authority to execute these agreements with the public sector body.

Add new: B8.1 (m) negotiate and approve the terms and conditions of any contract awarded in accordance with this Policy, or such other contract as determined necessary by the City Solicitor / Director of Legal Services to implement the intent of the awarded contract, and such other terms and conditions deemed necessary by the City Solicitor / Director or Legal Services to protect the interests of the City	• Bylaw 7367/99 (Execution of Documents) delegated authority to the CAO to "execute" all documents and agreements arising from an award of contract in accordance with the City's Materials Management Policy. This recommendation will delegate additional authority to the CAO to negotiate and approve the terms and conditions of such contracts. Currently this recommendation for delegation to the CAO to negotiate and approve the terms of the contract is included in every award report submitted for approval beyond the CAO. If this amendment to the Policy is approved, this delegation will not be required for inclusion in those award reports.

FINANCIAL IMPACT

Financial Impact Statement

Date: November 18, 2019

Project Name:

REVISIONS TO THE MATERIALS MANAGEMENT POLICY F1-003

Comments:

The proposed revisions to the Policy may result in financial implications to the City with reduced costs by participating in contracts with the Province, however, any savings are not determinable at this time.

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

CONSULTATION

In preparing this report there was consultation with:

Legal Services Department (as to legal issues)

OURWINNIPEG POLICY ALIGNMENT

N/A

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

N/A

SUBMITTED BY

Department: Corporate Finance
Division: Materials Management
Prepared by: Barb D'Avignon
Date: November 22, 2019
File No.: N/A

Attachment:

Amendment to City of Winnipeg Policy No. F1-003

Winnipeg

CITY OF WINNIPEG POLICY NO. F1-003

POLICY TITLE Materials Management Policy	**ADOPTED BY** City Council	**EFFECTIVE DATE** March 24, 2004
ORIGIN / AUTHORITY Executive Policy Committee	**CITY POLICY NO** F1-003	**MOST RECENT CONSOLIDATION**

1. Purpose:

Revisions to the Materials Management Policy (Policy) will bring the Policy up-to-date with current procurement practices.

2. Amendment to Materials Management Policy

B8. Authority of the Chief Administrative Officer

Additions:

B8.1 *new* (k) to approve participation in cooperative contracts with other public sector entities where the participation in a particular contract is in the City's best interest, even if such participation may not strictly comply with the various trade agreements, in concurrence with Legal Services

B8.1 new (l) negotiate and approve the terms and conditions to enter into an agreement necessary to give effect to or establish the relationship of the City with the public sector body or group who will subsequently participate in a cooperative contract

B8.1 new (m) negotiate and approve the terms and conditions of any contract awarded in accordance with this Policy, or such other contract as determined necessary by the City Solicitor / Director of Legal Services to implement the intent of the awarded contract, and such other terms and conditions deemed necessary by the City Solicitor / Director or Legal Services to protect the interests of the City

That the existing clause numbers be renumbered accordingly.