



To: Toronto Public Library Board – November 15, 2004

From: City Librarian

Subject: **Procurement Processes Policy**

Purpose:

To request Toronto Public Library Board approval of the *Procurement Processes Policy* that will protect the interest of the Library, the public and persons participating in the procurement process; and the amendments to the *Financial Control Policy* that are required for the two policies to interact with each other.

Funding Implications and Impact Statement:

It is anticipated that the recommended enhancements to the procurement process will facilitate a more efficient and accountable delivery of service within the Library.

Recommendation:

It is recommended that the Toronto Public Library Board approve:

- (1) the *Procurement Processes Policy* appended as Attachment 1; and
- (2) the amendments to the *Financial Control Policy* appended as Attachment 2.

Background:

Section 271 of the Municipal Act, 2001, appended as Attachment 3, requires that before January 1, 2005, a local board is required to adopt policies with respect to its procurement of goods and services. Section 271 lists the various matters that must be addressed in the policies to be adopted and does not prescribe the content of the policies. The Province has indicated that the content will be left to the local boards themselves.

The authorities for the Library's procurement activities are provided in the *Financial Control Policy* which was approved by the Board on June 9, 2003. This policy does not cover all the procurement processes requirements of Section 271 of the Municipal Act.

The City completed its review of its procurement processes and its adherence to the requirements of Section 271 of the Municipal Act, 2001. Council approved the City's Procurement Processes

Policy and the resulting amendments required to its Financial Control and Purchasing Policies at its meeting on July 20, 21, and 22, 2004.

The Library has based its policy on the City's Procurement Processes Policy and has incorporated the City's schedule of items that can be processed without a purchase order or as a sole source in the Library's *Financial Control Policy*.

Comments:

The Library's *Financial Control Policy, Section 4 – Purchasing* directs the Purchasing Agent to be responsible for the procurement of all goods and services that meet the Library's operational needs and specifications. The policy states that the Purchasing Agent is to perform these tasks "in accordance with policies and directives as may be provided from time to time by the Board."

The Library's Procurement Processes Policy addresses the various listed matters of Section 271 and provides direction to the Purchasing Agent in undertaking the responsibilities under the *Financial Control Policy*.

Some of the matters addressed in the *Procurement Processes Policy* are: the roles of various procurement processes (quotation, tender, proposals), when non-competitive procurement processes can be used, unsolicited quotations or proposals, official point of contact, mathematical errors, tied bids, and vendor complaints. For the most part, the policy reflects current practice or procedures. Three matters that are new in this policy and are of particular significance are: a listing of bid irregularities, official point of contact, vendor debriefings and vendor performance. A Bid Irregularities and Action Table is included as Appendix 1 in the policy which shows the corresponding action to be taken. The section on Official Point of Contact prohibits communication to other than the official contact. The requirement for Vendor Debriefings and Vendor Performance will provide a greater perception of integrity within the procurement process.

There are no substantive changes in the amendments to the *Financial Control Policy*. The amendments include removal of redundant definitions, deletion of areas of duplication, and the insertion of points of appropriate references to the *Procurement Processes Policy*. The amendments include a schedule of items that can be processed without a purchase order or as a sole source. This schedule has been modified from the City's schedule to remove those items which are not relevant for the Library. The former section in the *Financial Control Policy* granting authority for these items has been deleted.

The *Procurement Processes Policy* and the amendments to the *Financial Control Policy* have been reviewed by the City Solicitor's office.

Conclusion:

Adoption of the *Procurement Processes Policy* and the amendments to the *Financial Control Policy* will protect the interest of the Library, the public and persons participating in the procurement process.

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Josephine Bryant  
City Librarian

List of Attachments:

Attachment 1: Toronto Public Library *Procurement Processes Policy*

Attachment 2: Amendments to the Toronto Public Library *Financial Control Policy*

Attachment 3: Section 271, of the Municipal Act, 2001