

Date: 3 October 2009

Council Report

To: Mayor Compton and Members of Council
From: Karen Brown
Re: Procurement By-Law Update

Background

Recently, Council passed a number of budget amendments to the capital and unusual spending budget to authorize projects whose final bids had been in excess of the original budget allocation. For the majority of the amendments, the Manager was able to identify alternative sources of funding within the existing budget coming from the same department / function in order to proceed with the related projects.

It has been suggested that this type of budget amendment is somewhat housekeeping in nature, and may be better channeled through administration, with appropriate reporting back to Council. As such, it has been requested by the Managers that Council consider an amendment to the purchasing policy authorizing the ability to reallocate funds within the budget to accommodate this type of expenditure. Based on this, a copy of an amended procurement policy has been attached for Council consideration, with changes tracked for your reference. The relevant section that has been inserted on page 17 reads as follows:

"Where the Manager is unable reduce the amount of the bid sufficiently to be within the budgeted amount for that project without negatively affecting project scope to the detriment of the municipality, the Manager may identify an appropriate funding source from a budgeted expenditure within the same department or function that has either been completed under budget or has been deemed of a lesser priority by that Manager. The Manager shall then present this funding option to the Manager of Finance & Administration. The Manager of Finance & Administration shall have authority to transfer those remaining budget dollars to fund the project if it is deemed that it is in the best interests of the City to do so. The Manager of Finance & Administration shall be required to report any such transfers to Council on an annual basis for the purpose of passing a budget amendment By-law to formally amend the budget to reflect the reallocation of funds."

A minor related amendment has also been made to page 15 of the policy.

Sources of Financing

Authority would only relate to where existing unspent funds within the budget can be identified. As such, there is no additional allocation required over and above the approved budget allocation.

Communication Plan / Notice By-law Requirements

The Managers would be advised of Council's decision in this matter.

Recommendation

That Council hereby authorizes an amended City Procurement By-law – Policy #FI-01-01; and

That the appropriate By-law be approved for this purpose.

cc: Bill Preisenz
Managers