

Introduction

This interpretation bulletin discusses the rules in the City's Lobbying By-law (Chapter 140 of the Toronto Municipal Code)¹ that apply to lobbying about a procurement process. The Lobbying By-law prohibits lobbying about a procurement process unless permitted by the applicable procurement policies and procurement documents.

Provisions of the Lobbying By-law that apply to procurements are found below:

§ 140-1. Definitions.

LOBBY – To communicate with a public office holder on any of the following subject matters:

B. (2) Procurement of goods, services or construction and awarding a contract.

§ 140-5. Restriction on application (communication).

This chapter does not apply in respect of:

G. Submitting a bid or proposal as part of the procurement process, and any communication with designated employees of the City, a local board (restricted definition) or the Board of Health (including a City employee when working as a designated employee for a board), as permitted in the procurement policies and procurement documents of the City, local board (restricted definition) or Board of Health.

§ 140-41. Compliance with policies restricting communication.

A. Lobbyists shall not communicate in relation to a procurement process except as permitted by applicable procurement policies and procurement documents.

What is a procurement process?

A procurement process is the process used by the City and its local boards to purchase or otherwise acquire goods or services.

A specific procurement process is generally referred to by the call document issued requesting bids for the goods or services and includes "calls" (in some cases called "requests") for:

- pre-qualification;
- expressions of interest;
- tenders;
- quotations (both formal and informal); and
- proposals.

¹ http://www.toronto.ca/legdocs/municode/1184_140.pdf

What communications about a procurement process must a lobbyist report to the Lobbyist Registry?

Generally, the Lobbying By-law requires lobbyists to register and report communications with public office holders about procurement of goods, services or construction and awarding of a contract. These communications are considered to be lobbying. However, there are some exemptions from this requirement. See below.

What communications do not need to be reported to the Lobbyist Registry?

Some communications about a procurement process do not need to be reported. The Lobbying By-law does not apply to, and registration is not required for:

- submitting a bid or proposal as part of a procurement process;
- communicating with a designated employee as permitted by the applicable procurement policies and documents.
- communications that are part of a meeting of Council, a local board (restricted definition), the Board of Health or their committees;
- communications at a public meeting, hearing, consultation presentation, open house or media event held or sponsored by the City, a local board (restricted definition), the Board of Health or a public office holder with respect to a procurement process;
- a communication that is restricted to a request for information;
- a communication to a public office holder in direct response to a written request from the public office holder; and
- a communication to a member of Council by a constituent of the member of Council, or an individual on behalf of a constituent of the member of Council on a general neighborhood of public policy issue. [See § 140-5]

When is lobbying about a procurement process permitted and when is lobbying prohibited?

A registered lobbyist may lobby about a procurement process only if the communication is permitted under the applicable policy about procurements.

Section 140-41A prohibits lobbyists from communicating about a procurement process *except as permitted by the applicable procurement policies and documents.*

It is important to check the applicable procurement policies and documents to see what communications are permitted.

For example, under the City's Policy on Procurement Processes², from the time a call or request is issued until the announcement of the award, only communication with an official point of contact named in the call is permitted. All other communications are strictly prohibited during this period, which is sometimes referred to as the "blackout period".

² http://www.toronto.ca/calldocuments/pdf/procurement_process.pdf

Offences and Penalties

Lobbying contrary to the Lobbying By-law is an offence for which a person is liable to a maximum fine of \$25,000 on a first conviction and \$100,000 on each subsequent conviction.

The Lobbyist Registrar may suspend or revoke a registration that is found not to comply with the requirements of the by-law.

In addition, the applicable procurement policies and documents may prescribe penalties for lobbying in breach of the policy. For example, the City's Procurement Processes Policy³ provides that any vendor found to be in breach of the policy will be subject to disqualification from the call or a future call or calls in the discretion of Council.

Contact for More Information

Office of the Lobbyist Registrar
Email: lobbyistregistrar@toronto.ca
Tel.: 416-338-5858
www.toronto.ca/lobbying

³ http://www.toronto.ca/calldocuments/pdf/procurement_process.pdf