



REPORT FOR ACTION

Purchasing Policy Update

Date: April 12, 2019

To: Toronto Atmospheric Board of Directors

From: Chief Executive Officer

SUMMARY

Amendment of Toronto Atmospheric Fund's (TAF) Purchasing Policy is recommended including a) adjustment of purchasing thresholds for inflation, b) allowing TAF to issue a Request for Proposals for purchases that fall below the threshold for a formal procurement process through the City of Toronto Purchasing and Materials Management Division (PMMD) but are not appropriate for an informal call for quotations where selection is strictly price-driven, and c) several housekeeping matters.

RECOMMENDATIONS

The Chief Executive Officer recommends that the Toronto Atmospheric Fund Board of Directors approve the updated Purchasing Policy in Attachment 1.

FINANCIAL IMPACT

Nil.

DECISION HISTORY

At its meeting on May 7-10, 2013, City Council adopted the amended and restated Relationship Framework between the City of Toronto and the Toronto Atmospheric Fund (<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.EX31.6>). TAF procures goods and services in accordance with City of Toronto purchasing policies as guided by the Relationship Framework's Section 6.5.6:

"Council has directed that TAF's procurement of consulting and other good and services be conducted through Purchasing and Materials Management Division (PMMD), in accordance with the City's purchasing policies, as amended from time to time.

When City policies are applied to TAF procurements, TAF's Board has approval authority wherever the policy requires Council approval. As such, TAF's Board shall determine purchasing approval limits and authorities for TAF staff.

In the event that further interpretation is required, the Director of PMMD is the appropriate contact"

The City of Toronto's "Procurement Processes Policy" was adopted by City Council at its meeting held on July 20-22, 2004 (<https://www.toronto.ca/legdocs/2004/agendas/council/cc040720/adm5rpt/cl007.pdf>), and most recently amended by Council at its meeting held on July 12-15, 2016 (<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.GM13.13>)

The current TAF Purchasing Policy was approved by the Board on February 9, 2018 (<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.TA19.5>)

COMMENTS

The proposed updates to TAF's Purchasing Policy include:

1. Adjusting the current purchasing thresholds, which were set in 2004, based on inflation using the Bank of Canada's inflation calculator <https://www.bankofcanada.ca/rates/related/inflation-calculator/>.

	Current threshold	Current threshold adjusted for inflation	Proposed new threshold
Waive decision to obtain quotes for purchases estimated to be up to:	\$3,000	\$3,898	\$4,000
Requests telephone quotes from a minimum of three (3) vendors for purchases estimated to be up to:	\$10,000	\$12,995	\$13,000
Undertake an Informal Call for Quotations for purchases estimated to be between:	\$10,000- \$50,000	\$12,995- \$64,975	\$13,000 - \$65,000
Undertake a formal procurement process through the City of Toronto Purchasing and Materials Management Division for purchases estimated to be over:	\$50,000	\$64,975	\$65,000

2. Allowing TAF to undertake its own Request for Proposal process for purchases that fall below the PMMD threshold.

For purchases estimated to be below the formal procurement process threshold, TAF's Purchasing Policy mirrors the City's Procedure for Using Divisional Purchase Orders for all purchases which bases evaluation and selection strictly on compliance with the specifications/scope of work and price. From time to time – approximately 4 per year -- TAF purchases services to help fulfil project deliverables which are more complex than is appropriate for Informal Calls for Quotations, but below the threshold required for undertaking the process through PMMD.

Purchases undertaken through PMMD in recent years have taken an average of eight to ten additional weeks to process, creating delays and challenging deadlines. An internal formal procurement process, modeled on the PMMD process, will allow TAF staff to evaluate proposals based on more than simple compliance with the specifications/scope of work and price without adding to PMMD's workload.

3. Housekeeping amendments

Several recommendations for clarity are proposed including incorporating the authority for Board Approval that are specified in TAF's Relationship Framework.

CONTACT

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SIGNATURE

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ATTACHMENTS

Purchasing Policy – Proposed Revision 1