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## Memorandum to the Mayor and Members of Council

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From: Fernando Lamanna  
Position: Clerk & Deputy CAO  
Title / Subject: Modernization of Procurement Practice  
Date of Meeting: Monday, June 24, 2024  
Report Number: 2024-GG-013

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This memo is to outline steps that the Administration has implemented as it relates to modernizing the Township's procurement practices.

As a bit of a history recap, the Township's former Treasurer Sheila Strain, along with the services of a third-party consultant brought forth a new and updated procurement bylaw, including policies, procedures and new templates:

- The first report was presented to COW May 9, 2022 that identified the need to modernize procurement practices and indicated the risk of not having fair practices. [Update and Modernization of Procurement Bylaw, Policies, Procedures and Templates \(escribemeetings.com\)](https://www.escribemeetings.com/updates/2022/05/09/2022-FI-008-Update-and-Modernization-of-Procurement-Bylaw-Policies-Procedures-and-Templates)
- A second report 2022-FI-008, was presented to COW June 27, 2022 with draft procurement practices [Committee of The Whole - June 27, 2022 \(escribemeetings.com\)](https://www.escribemeetings.com/updates/2022/06/27/2022-FI-008-Committee-of-The-Whole-June-27-2022).
- The new Procurement by-law and procedures were formally adopted by Council on September 26, 2022 and By-law #3148-2022 was approved.

Brock's previous procurement practice was completely paper based and limiting in terms of reaching out to numerous suppliers to obtain broader market pricing. Tenders were prepared by Public Works (PW) staff and posted on our website and in some cases, where recurring tenders happened each year, PW staff would send a copy of the tender in the mail to a list of previous contractors. Tender submissions were then mailed or dropped off at the office in paper form in sealed envelopes. The sealed submissions were then opened after the closing deadline and reviewed by a staff committee.

This process is very much an archaic method that not only poses risk to the municipality but also restricts the number of submissions, as those companies that are constantly surfing our website for new tenders or those companies that were granted personal mail service of a tender. Many municipalities across the province have moved away from the paper base procurement practice, in favour of a digital platform.

is a digital bidding platform that is nationally and globally adopted with many industries. In fact, there are over 450 Canadian agencies using Bids & Tenders; some of the new municipalities include: Moncton, Saint John and Halifax. There is a very large municipal, school sector in Ontario and you can view the list of all clients by going to [Bids and Tenders - eSolutions](#) and scroll down to Agency notifications.

In Durham Region, all municipalities including the Region are utilizing Bids & Tenders, as are a number of neighbouring municipalities and conservation authorities, including City of Orillia, City of Kawartha Lakes, Town of Georgina, Kawartha Conservation Authority, and Lake Simcoe Region Conservation Authority.

The Bids & Tenders digital platform opens Brock to more competitive pricing as the number of registered suppliers is much higher than what Brock was previously exposed to by utilizing the previous procurement method.

When building tenders in the digital platform, the system allows staff to check-off a number of job categories (i.e. Asphalt, Heavy Trucks, Appliances, Paint, Building Services, etc.) from which a notification goes to all registered suppliers within the categories selected.

Companies wishing to register and obtain tenders from the digital platform, can do so by completing an online registration/profile and paying an annual rate of \$439.90 for unlimited plans OR companies have the option of Pay-Per-Bid Plan for \$132.04/plan. This is what is called a "Vendor Pay" model and most of the government agencies including those located within the GTA, are on the "Vendor Pay" model. An alternative is what is called "Owner Pay" model and that is currently \$3,710 per year per procurement licence. For Brock we would be looking at 4 times that amount. As noted, this "Owner Pay" model is not popular with most government agencies.

Brock's first digital tender was launched May 6<sup>th</sup> for the Rick MacLeish flat roof replacement, which closed May 22<sup>nd</sup> with a total of 23 plan takers (so 23 different companies reviewed the tender) and a total of 13 submissions were made, whereas similar tenders in the past through the old procurement process saw 2-3 submissions!

Members of the public, including local businesses, still have the opportunity to see the current bid details as listed on the [Bids & Tenders website](#).