

# Modernizing Niagara Region's Procurement By-law

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# Agenda

## 1. Proposed Changes and Why

- Competitive awards over \$5M
- Contract amendments over \$1M

## 2. Safeguards to protect Council and the Corporation



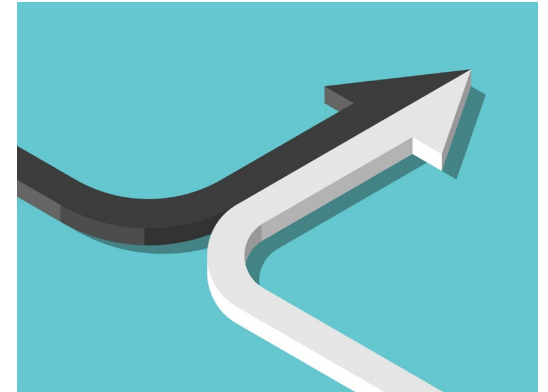
# Competitive Awards over \$5M

## Current State

- Council approval required at the end of the competitive process to award

## Recommendation

- Delegate award approval at the end of the competitive process to staff; recognizing Council sets project priorities, timing, and budgets through existing mechanisms



# Competitive Awards over \$5M

## Why the Change?

- Clarifies Council's strategic role vs. staff's administrative role
- Improves customer service with faster project starts
- Increases efficiency through greater certainty and a simplified process for contractors
- Aligns with best practices and municipal comparators
- Reduces legal risk for Council and the corporation
- Ensures compliance with legal obligations (to award based on low bid/high score)

# Competitive Awards over \$5M- Municipal Comparators

Municipality	Council approval required for award?
York Region	NO
Durham Region	NO
Peel Region	NO
Waterloo Region	>\$10M
Halton Region	NO
Hamilton	NO
Toronto	NO
Ottawa	NO

# Contract Amendments over \$1M

## Current State

- This is a gap in the existing by-law

## Recommendation

- Add a robust contract amendment framework increasing transparency and clarity
- Delegate approval of contract amendments over \$1M **only if**:
  - Change is within the Council approved budget
  - The work is part of the original scope of the project
  - The project was competitively bid
- Inform Council of all contract amendments over \$1M

# Contract Amendments over \$1M

## Why the Change?

- More efficient project management, enabling faster delivery and better outcomes
- Reduces disruption for contractors, residents, businesses, and communities
- Avoids costs and financial risks from delays in approving routine project adjustments
- Increases certainty, allowing projects to proceed as planned
- E.g. unforeseen site conditions (such as soil issues) may require critical work by original contractor- this change lets the work proceed efficiently, if it is still within budget.

# Safeguards - Budget

## Budget

Council retains same level of approval and oversight of budget as exists currently

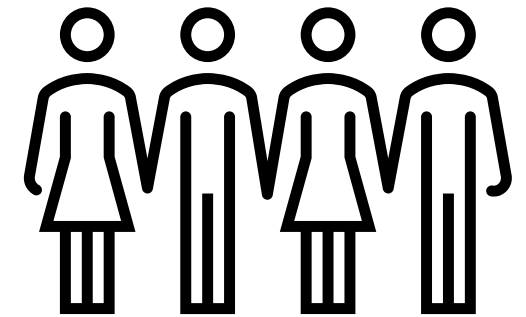
- Staff can only award or amend contracts under delegated authority if Council approved budget is available.
- Any budget increase requires Council approval **before** staff can award or amend contracts
- Council approves both initial budget and budget amendments per the Budget Control By-law



# Safeguards - Accountability

## Accountability Controls:

- Robust financial system enforces compliance with Budget and Procurement By-laws
- Ensures all financial commitments align with Council approved budgets
- Ensures all contract amendments align with delegated authority limits
- Commitment control functionality prevents project overspending
- Enables auditability and oversight of compliance



# Safeguards - Reporting

## Enhanced reporting:

Enhanced reporting to Council under the proposed by-law:

- **New** - All contract amendments will be reported once cumulative value is over \$1M, on a quarterly basis
- **Change** - All contract awards over \$5M reported via Council Weekly Correspondence for timely disclosure
- Improves transparency

# Safeguards – Scope of Authority

## Scope of delegated authority is clearly confined:

Staff continue to require Council approval for:

- Any change to budget
- Competitive procurements where the recommended award is not to the lowest compliant bid (tender) or highest scoring bid (RFx)
- Non-competitive awards over \$1M (including where work is not part of the original scope of the project)
- Where there is an irregularity or unresolved challenge that may expose the Region to legal, financial, or reputational risk

# Questions?

