COUNCIL BUDGET COMMITTEE – AGENDA REPORT

Meeting Date: 15 January 2018
Subject: Council Procurement Policy
Boards Routed Through: N/A
Date: N/A

Issue:

Council Budget Committee (CBC) is being asked to endorse the draft Council Procurement Policy.

Background:

On July 4, 2006, Council provided direction with respect to the approval process for Council and Administrative policies as follows.

Policy to be approved at the Council level would include policies that:

- are legislatively based/directed (MGA or other); and/or
- give direction to Council governance; and/or
- delegate authority and give direction to the City Manager; and/or
- are set to meet external requirements (e.g. AUMA and/or position for clarity).

Policy to be approved at the administrative/City Manager level would include policies that:

- give direction to carry out a decision of Council; and/or
- are administrative in nature as a result of legislation (MGA) or as delegated (typically to the City Manager) through Council bylaw, resolution or Council policy; and/or
- solely affect internal work processes.

Administrative policy is approved by the Senior Leadership Team.

Over the last two years, administration has worked on the Council strategy for fiscal balance and the development of a fiscal sustainability framework. This initiative has involved addressing the critical need to update aging policies and introduce new policies required to strengthen fiscal health. To align across the organization and support City operations,
administrative policies, as well as standard operating procedures, have been developed. The work is expected to streamline City business, gain efficiencies and mitigate risk.

With the draft Fiscal Framework and associated Council policies delivered to CBC in November 2017, staff will systematically review and garner Council’s input and request endorsement of updated policies. City operations are heavily dependent on securing goods and services. As such (and in an effort to put in place improved processes as soon as possible) staff have scheduled the Council Procurement Policy first.

The Council strategy session held prior to this CBC meeting gave opportunity for discussion and Council input. If the results of the strategy session saw satisfaction in the updated draft policy, CBC would make a resolution to Council recommending endorsement of the Council Procurement Policy. Endorsement of the Administrative Corporate Procurement Policy will follow and training of staff will be rolled out along with standard operating procedures.

**What has changed?**

The existing Council Procurement Policy is a comprehensive document that is a mixture of overall principles, delegation of duties and detailed procedures.

With the intent to create clear basic principles that are derived from trade treaties and supported by City Council, the draft Council Procurement Policy was created. The Policy includes principles already established by the current Policy with one additional principle that allows the City to strengthen wording and give preference to local vendors for procurements under $75,000.

The draft Council Procurement Policy also identifies delegation of duties to the Chief Administrative Officer to develop and implement administrative procurement policy and procedures. All other sections of the current Procurement Policy are reflected within the Administrative Procurement Policy and Procurement Procedures.

**Business Travel**

Business travel in the form of meetings, training and travel is required at times to facilitate City business. This process is operational in nature and, as such, a Business Travel Administrative Policy has been developed to direct City staff in this regard. A Council Corporate Reimbursement Policy currently exists and a request will be made to rescind this Policy. All business travel expenses are included within Council approved budgets. With this alignment completed, Senior Leadership endorsement of the Business Travel Administrative Policy will follow.

**Alignment with AirdrieONE:**

Policy review and revision aligns with the AirdrieONE governance principle aimed to promote effective decision making and fiscal sustainability.
Boards Routed Through:

N/A

Alternatives/Implications:

1. CBC can choose to recommend to Council endorsement of the draft Council Procurement Policy as presented. The Policy will replace Policy No. P-01/2011. Senior Leadership endorsement of the draft Administrative Corporate Procurement Policy will follow and direction will be rolled out to City staff.

2. CBC can choose to amend the proposed Policy and proceed with a recommendation to Council.

3. CBC can require additional time to consider the changes being proposed and as such may choose to table the request until the next CBC meeting.

4. CBC can request that staff provide additional information.

Communications Plan:

N/A

Recommendation:

That CBC recommends to City Council that Council endorse the new Council Procurement Policy as presented and rescind Council Procurement Policy No. P-01/2011.

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