

TO: Chair and Members of the Finance & Facilities Committee

FROM: Christopher Mackie, Medical Officer of Health/CEO

DATE: 2019 October 31

PROCUREMENT GUIDELINE POLICY UPDATE

Recommendation

It is recommended that the Finance & Facilities Committee:

- 1) *Receive Report No. 036-19FFC for information;*
- 2) *Approve the updated Appendix outlined within this report, which relate to the financial operations of the Middlesex-London Health Unit to go to Governance Committee for final review; and*
- 3) *Approve staff to immediately begin using the reduced bid period if issuing bids electronically.*

Key Points

- The Procurement Policy was updated in March 2019 following a legal review which included a recommendation to increase to the bidding period for tenders to 40 days.
- Revised electronic tendering practices have enabled a reduction in the bidding period to 25 days
- A reduced bidding period provides increased flexibility to staff.
- Once the Finance & Facilities Committee is satisfied with its review, the by-laws and policies will be forwarded to the Governance Committee for final review.

Background

In March 2019, the Board of Health approved a revised Procurement Policy G-230 which underwent a comprehensive legal review and incorporated terms to be compliant with federal trade agreements. Refer to [Report No. 003-19GC](#).

Policy Review

The Middlesex-London Health Unity Protocols were adjusted to increase the tendering period to 40 days in order to become compliant with the trade agreements. However, upon further review of the Canada Free Trade Act (CFTA) and the Comprehensive Economic and Trade Agreement (CETA) the bid period can be reduced if it is completed electronically.

Details of the bid posting periods are listed below:

1. CFTA
 - a. No minimum posting time required, however postings must be for a reasonable period of time for vendors to prepare and submit responsive tenders
 - b. Compliance with internal policies for posting periods
2. CETA
 - a. *Open procurement opportunities must be posted for a minimum of 40 calendar days*
 - b. bid posting times can be reduced:
 - i. By 5 days if bids are posted electronically

- ii. By 5 days if bids are received electronically
- iii. By 5 days if the tender document is posted at the same time as the procurement notice
- iv. To 10 days if previously published notice of planned procurement (has specific requirements to apply this correctly)

As a result, it is recommended to change the Procurement Protocols ([Appendix A](#)) to reflect a reduced tender period of 25 days if bids are posted, received and notice is provided electronically. This will also require a change to the protocol to remove the requirement for sealed bids as we move to an electronic bid submission process. Changes to this process will improve the flexibility for procurement staff respond to tender requests in a timelier manner.

Next Steps

The Finance & Facilities Committee has the opportunity to review the appended revised by-laws and policies.

Once the Finance & Facilities Committee is satisfied with its review, the by-laws and policies will be forwarded to the Governance Committee for inclusion in the updated governance manual.

This report was prepared by Healthy Organization Division.



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