



COUNCIL REPORT

To: Paul Gipps, CAO

Date: June 22, 2021

From: Mike Ummenhofer, Purchasing Manager

Subject: **Request for Proposals Authority (Limits)**

RECOMMENDATION

THAT Council consider the information in this report and choose a preferred option on amending the City of West Kelowna Purchasing Policy.

Option 1:

THAT the City of West Kelowna Purchasing Policy approval authority for the CAO and his designate be increased to permit approval of all Requests for Proposals providing the subject matter of the RFP is contained in the Five-year Financial Plan and that the cost does not exceed the budgeted amount.

Option 2:

THAT the City of West Kelowna Purchasing Policy approval authority for the CAO and his designate be increased to permit approval of all Requests for Proposals up to \$500,000 providing the subject matter of the RFP is contained in the Five-year Financial Plan and that the cost does not exceed the budgeted amount.

Option 3:

THAT the City of West Kelowna Purchasing Policy remain unchanged.

PURPOSE:

The purpose of this report is to seek Council's guidance on the preferred method of awarding Requests for Proposals (RFP's).

BACKGROUND

The City of West Kelowna's Purchasing Policy provides guidance and financial limits for staff in awarding contracts, bids and other works as we go about our regular operations of managing the City.

Once Council has established a budget for any given project or works staff utilize the policy to move these works ahead. The policy has been developed based upon current legislation, industry standards and previous direction from Council.

DISCUSSION

Currently, the Purchasing Policy requires Council approval for RFP's exceeding a cost of \$250,000. To streamline the process staff are recommending that Council consider these limits and remove, increase or remain status quo.

With other processes such as tenders, Council sets the budget and staff award the contracts based upon tendering law. RFP's are more cumbersome in their award as in addition to the above any works in excess of \$250,000 staff must bring a report and a recommendation to Council for consideration. This can create delays and confusion as sometimes the RFP's are very technical and Council is being asked to consider a decision that they may not have all the information.

Should Council consider a change to eliminate the need for their approval or increase the limits it does not impact Council's oversight of the financial management of the City's budget.

In addition, Council can consider in their deliberation our survey of twelve municipalities on requiring Council approval for RFP's, procurements and at what limits they have.

The following seven municipalities did not require Council approval of RFP's providing the purchase was contained in the budget and that the purchase did not exceed the budgeted amount:

| | | |
|----------------|-----------------|-----------|
| Comox | Kelowna | Penticton |
| Prince George | North Vancouver | Vernon |
| West Vancouver | | |

The following five municipalities do require Council approval at the following threshold:

| | |
|-----------------|-------------|
| Delta | \$50,000 |
| Metro Vancouver | \$5,000,000 |
| Saanich | \$500,000 |
| Surrey | \$500,000 |
| Vancouver | \$2,000,000 |

FINANCIAL IMPLICATIONS

There are no additional financial implications as Council still approves the budget for which these proposals are considered.

COUNCIL REPORT / RESOLUTION HISTORY

| Date | Report Topic / Resolution | Resolution No. |
|-------------------|---------------------------|----------------|
| February 26, 2019 | Purchasing Policy | C116/19 |

CONCLUSION

In conclusion, by permitting staff to award RFP's, Council would improve the procurement process by shortening the time to make awards without diminishing Council's control over the budget.

REVIEWED BY

Warren Everton, Director of Finance, CFO

APPROVED FOR THE AGENDA BY

Paul Gipps, CAO

Powerpoint: Yes No