



Report of the General Manager

Purchasing Bylaw Update

Recommendation

The Housing York Inc. Board of Directors approve an amendment to the [Purchasing Bylaw No.1-18](#), subject to confirmation by the Shareholder, where expenditures above the original contract amount that exceed contingency and scope limits and are more than \$10,000 require joint Chair and President approval.

Summary

This report recommends an amendment to the Purchasing Bylaw for Housing York Inc. (HYI) where expenditures above the original contract amount that exceed contingency and scope limits, and are more than \$10,000 require joint Chair and President approval. Currently, the Chair and the President must jointly approve expenditures above the current allowable limits for contingency and scope change, irrespective of the amount of the expenditure. Introducing a \$10,000 maximum will improve efficiency and assist with expedient and timely repairs in residents' units as staff with delegated authority may approve such additional deliverables. The maximum is in line with signing authority limits for Property Managers who most often approve and manage work for minor repairs in residents' units.

The Region's Purchasing Bylaw does not currently have a \$10,000 maximum but it may be a consideration when the Region next amends its bylaw.

HYI is subject to a Shareholder Direction approved by Council on June 28, 2018, which provides that HYI develop and approve procurement policies designed with the objective of providing good value with sufficient flexibility for HYI to conduct its business and affairs. HYI may amend its bylaws subject to Shareholder confirmation.

Background

The Housing York Inc. Purchasing Bylaw provides for transparency and accountability and is subject to periodic review to evaluate its effectiveness

HYI's current Purchasing Bylaw No. 1-18 was approved by Regional Council in its capacity as the sole shareholder of HYI on June 28, 2018. The Purchasing Bylaw is intended to ensure that effective, efficient, fair and transparent procedures are in place to encourage environmentally responsible and sustainable procurement of goods and services, while maintaining fiscal prudence.

The Purchasing Bylaw allows for contingency and scope changes to authorized purchase of deliverables

For any deliverables purchased under the Bylaw, the President may authorize the purchase of additional expenditures for unforeseen contingencies and changes in scope.

The Chair and the President must jointly approve expenditures above the current allowable limits for contingency and scope changes

Under the Purchasing Bylaw, the Chair and the President are jointly required to authorize the purchase of additional deliverables that exceed the contingency and scope change limits, irrespective of the amount of the expenditure. Any additional expenditures jointly authorized by the Chair and the President must be reported to the Board quarterly.

Analysis

The maximum will reduce approvals that are inefficient and administratively burdensome

A significant portion of operational purchases are of a low dollar value for minor operating expenses including minor repairs, such as a window leak. Existing permitted scope and contingency limits under the Purchasing Bylaw are calculated based on a percentage of the total original contract price and can quickly be consumed by unforeseen circumstances, for example, if the window leak cannot be repaired and requires a window replacement. Under the current Purchasing Bylaw, the authorization of deliverables that exceed permitted scope and contingency limits would require staff to obtain the necessary approvals of both the Chair and the President prior to the purchase and subsequently include it in a report to the Board.

Allowing for expenditures above the original contract amount that are over the combined scope and contingency limits but that do not exceed \$10,000, without Chair and President approval being required, will improve efficiency and assist with expedient and timely repairs in residents' units as staff delegated with commensurate authority will be able to approve such additional deliverables within their signing authority limits.

Management will be further reviewing the HYI Purchasing Bylaw in 2021 to align with contemplated amendments to the Region's Purchasing Bylaw which will support modernization, enhanced transparency and compliance with national and international trade treaties.

Financial Considerations

The proposed amendment to the Purchasing Bylaw supports HYI's objectives of obtaining goods and services that reflect best value and fiscal prudence.

Local Impact

There is no local municipal impact associated with this report.

Conclusion

The recommended amendment to the Purchasing Bylaw will enhance administrative efficiency and responsiveness to business needs while preserving the fundamental principles of competitiveness, transparency and best value.

For more information on this report, please contact Michelle Willson, Director, Program Finance and Chief Financial Officer, Housing York Inc. at 1-877-464-9675 ext. 76064. Accessible formats or communication supports are available upon request.



Recommended by:

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Approved for Submission:

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