Housing York Inc. Board of Directors Meeting May 15, 2025



Report of the General Manager and Chief Financial Officer

Purchasing Bylaw Update

Recommendations

It is recommended the Housing York Inc. Board of Directors:

- 1. Approve an amendment to the <u>Purchasing Bylaw No.1-18</u>, Section 7.1 to increase purchases not exceeding \$100,000 to \$133,800.
- 2. Approve an amendment to the Purchasing Bylaw No. 1-18, Section 7.1 (c) to increase the cost of any deliverable from \$50,000 but does not exceed \$100,000 to \$70,000 and \$133,800 respectively.
- 3. Approve an amendment to the Purchasing Bylaw No. 1-18, Section 7.3 to increase purchases exceeding \$100,000 to \$133,800.
- 4. Approve an amendment to the Purchasing Bylaw No. 1-18, Section 10.1 to increase direct purchase exceeding \$100,000 to \$133,800.
- 5. Approve an amendment to the Purchasing Bylaw No. 1-18, Section 16.3 to increase the amount in dispute in any unresolved litigation does not exceed \$100,000 to \$133,800.
- 6. Authorize the President to negotiate any tariff related increases beyond the current 15% contingency threshold set out in Section 11.1 of the Purchasing Bylaw No. 1-18 using a rigorous vetting process on a case by case basis.
- 7. Authorize the Solicitor to prepare and submit an amendment to the Purchasing Bylaw No. 1-18 to give effect to the amendments approved under this report.

Summary

This report recommends amendments to the Housing York Inc. (HYI) Purchasing Bylaw No.1-18 (the Bylaw) to increase expenditure threshold from \$100,000 to \$133,800 to align with the Region's report to Committee of the Whole, Revision to the Low Dollar Value Thresholds in Response to Tariffs, approved by Council in March 2025. This report also seeks Board approval to amend the purchasing authorities to align with the \$133,800 threshold and authorize the President to negotiate tariff related increases beyond the 15% contingency threshold, consistent with Regional Council's approval of authorities granted to the Chief Administrative Officer outlined in the Overview of Potential Economic and Fiscal Impacts of Tariffs Council report in March 2025.

HYI is subject to 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

In alignment with recent changes adopted by Regional Council, changes to the Housing York Inc. Purchasing Bylaw are recommended in response to the United States tariff announcements

The report approved by York Region Council in March 2025, provided a high level overview of potential impacts of United States (U.S.) tariffs on York Region and outlined various initiatives underway to assess and mitigate these impacts. The report sought approval to increase the maximum amount associated with low dollar value purchases (LDVP) from \$100,000 to \$133,800 to align with the Ontario-Quebec Trade Cooperation Agreement which has the lowest threshold of all trade treaties.

HYI has a separate Purchasing Bylaw and requires amendments to align with the Region's response to U.S. tariffs.

Analysis

Housing York Inc.'s Purchasing Bylaw, approved in 2018, establishes guidelines to obtain best value in the procurement of deliverables

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, and subsequently amended on February 10, 2021. The 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.

Increasing the purchases not exceeding \$100,000 threshold to \$133,800 aligns with the Region and requires a change to signing authority

Increasing the threshold aligns with the Region's response to tariffs, ensures compliance with trade treaty requirements, and provides staff with greater flexibility.

To be consistent with changes to the Region's LDVP Maximum, this report recommends amending HYI's Purchasing Bylaw No.1-18 and granting authorizations as follows:

- Increase the President's authority to approve purchases not exceeding \$100,000 to align with the Region's LDVP maximum of \$133,800 (Section 7.1)
- Increase the cost range in which HYI must solicit three quotes before the President is authorized to approve purchases where the cost of any deliverable exceeds \$50,000 but does not exceed \$100,000 to \$70,000 and \$133,800 respectively (Section 7.1 (c))
- Increase the threshold requiring the issuance of a request for tenders or a request for proposals from \$100,000 to \$133,800 for the purchase of deliverables (Section 7.3)

- Increase the maximum threshold permitting direct purchases without issuing a call for bids from \$100,000 to \$133,800 (Section 10.1)
- Increase the amount in dispute in any unresolved litigation does not exceed \$100,000 to \$133,800 (Section 16.3)
- Increase the signing authority of the President and General Manager from any \$100,000 limit set out in the Purchasing Bylaw to \$133,800 to align with the new threshold
- Authorize the President to negotiate any tariff related increases beyond the current 15% contingency threshold using a rigorous vetting process on a case by case basis

The amendment to the Purchasing Bylaw shall be submitted to the Shareholder at the next meeting of the Shareholder for confirmation, as required by Section 116(2) of the *Business Corporations Act (Ontario)*. Under Section 116(3) of the *Business Corporations Act (Ontario)*, the amendment shall be effective upon enactment by the Board and continue in effect unless it is not confirmed by the Shareholder at the next meeting of the Shareholder.

The signing authority is subdelegated from the President to General Manager, Directors, Managers and Supervisors pursuant to Section 5.4 of the Purchasing Bylaw. The signing authority limits will be revised to align with the amendments to the Bylaw once approved by the Board and the Shareholder.

Financial Considerations

The financial impact and potential resource requirements will be assessed as decisions are made by the U.S. government and retaliatory measures are taken by the Canadian government. Future reports will be brought to the Board, where appropriate, and financial implications will be addressed through the budget process.

Local Impact

The introduction of tariffs and heightened economic uncertainty impacts all local municipalities.

Conclusion

The Region and HYI continue to monitor announcements related to U.S. tariffs and retaliatory measures from Canada and assess potential implications for HYI's fiscal plan. Proposed changes to HYI's Purchasing Bylaw No. 1-18 would provide additional flexibility to respond to tariff-related cost increases and align with the Ontario-Quebec Trade Cooperation Agreement.

For more information on this report, please contact Karen Antonio-Hadcock, General Manager, at 1-877-464-9675 ext. 72088 or Ellen Boudreau, Chief Financial Officer at ext. 71282. Accessible formats or communication supports are available upon request.

Recommended by:

Karen Antonio-Hadcock

General Manager, Housing York Inc.

Approved for Submission:

Lisa Gonsalves

President, Housing York Inc.

May 2, 2025

16698468