

Report to Council

Report Title: Municipal Modernization Grant Project Scope

Prepared By: Trish Serratore, Chief Financial Officer and Fiona Hamilton, Clerk

Department: Finance

Date: June 16, 2020

Report Number: FIN2020-22 **File Number:** C11FIN

Attachments: Proposed Project Scope

Recommendation:

That the Council of the Municipality of Brockton hereby approves Report Number FIN2020-22 – Municipal Modernization Grant Project Scope, prepared by Trish Serratore, Chief Financial Officer, Fiona Hamilton, Clerk and in doing so approves the proposed Project Scope for the Purchase and Procurement Policy and Process review, subject to approval by the Ministry of Municipal Affairs and Housing.

Report:

Background:

The Province of Ontario has implanted a two-step funding stream known as the Municipal Modernization Grant Fund (the “MMGF”). The stated purpose of the first stage of the MMGF was to provide funding for municipalities to hire an external consultant to perform a review and make recommendations to improve and modernize service delivery. The second stage will provide additional funding for municipalities to implement the recommendations made by the consultant.

The Municipality of Brockton applied and received money to complete a facilities review. Subsequent to receiving the funds, Sonya Watson, Chief Administration Officer, confirmed with the Ministry of Municipal Affairs and Housing that a portion of the funds could be allocated towards a Development and Planning Review. At the meeting on June 9, 2020, Council approved moving forward with the Development and Planning Review but not the Facilities Review.

At the meeting, Council expressed the need to ensure that the funds received from the MMGF would result in tangible benefits to Brockton residents, noting that funds were still paid by the taxpayer regardless of what level of government levied them. As a result, staff were directed to bring forward alternate recommendations representing better value for the funds.

Any new proposals will need to be approved by the Ministry of Municipal Affairs and Housing. Furthermore, the Project Scope for any new proposals must be approved as soon as possible as the deadline to complete both projects is September 14, 2020 (although the Minister is considering an extension). The Ministry of

Municipal Affairs and Housing has confirmed that the Interim Progress Report for the MMFG is due June 30, 2020, such that the funding needs to be confirmed as soon as possible.

Analysis:

In 2019 staff identified various gaps within the Purchasing and Procurement processes and have been working on improving and streamlining processes for the Municipality. In addition, the Municipality of Brockton has been challenged over the past year with disparate and unpredictable tender results – some coming in below budget, others much higher than originally estimated. As Council is aware, the 2020 Municipal Budget was particularly challenging, as Council delicately balanced ensuring proper infrastructure planning and service continuity while keeping the tax rate levy as low as possible.

With this context in mind, staff are suggesting that the MMGF be used to conduct a review of the Purchasing and Procurement Policy and Procedures currently in place. Ensuring a fair, transparent and competitive purchasing regime will result in direct cost savings for the Municipality of Brockton. Ultimately, any funds not levied and spent unnecessarily are funds left directly in the pockets of Brockton taxpayers.

On June 10th, 2020 staff participated in a Contract Tendering and Legal Requirement for Municipalities training seminar offered by AMCTO. Staff identified some additional gaps within the Purchasing and Procurement Policy and process that need to be updated to ensure compliance. The tendering and procurement process for municipalities is becoming increasingly more technical and complex, involving compliance with both provincial legislation and federal trade treaties. Overall, the area of procurement has become very specialized and is also an area of significant potential exposure to liability for municipalities.

Having a third party review of the current policy will bring value to the Municipality to be sure Brockton is meeting our legislative and treaty requirements, and that the process is consistent, fair, accountable and transparent. Staff are recommending a complete review of the current policy and process as outlined within the proposed scope for the Procurement Policy & Procedure Review which has been attached.

Some key areas in which the consultant would review are as follows:

- Complete a compressive review of our current Purchasing and Procurement Policy
 - Ensure we are compliant with legislation & trade treaties
 - Ensure we have an effective, open and transparent process for taxpayers and other stakeholders
 - Comparison and recommendation for purchasing limits/threshold
 - Integration of energy efficiencies within purchasing policy
 - Integration of ergonomics into policy to comply with Health and Safety obligations
 - Clear outline of staff and Council authorization and responsibility
 - Enhanced reporting for the public, other levels of government and contractors
- Assistance in developing procedures and checklists to ensure fairness and consistency amongst all departments
- Review internal processes and procedures and identify opportunities for streamlined communication, including recommendations for any software that may result in increased transparency and ensure we are meeting our legislative requirements
- Suggest industry best practices shown to result in competitive pricing

- Ensure ease of bidding for contractors to promote greater number of bids being submitted
- Assist in creating template Tender and Request-for-Proposal documentation to reduce staff turn-around time and reduce the potential for errors or omissions, and by extension, reducing a source of potential liability for the Municipality of Brockton
- Create procedures to assist in obtaining estimates for municipal budgeting purposes.

The goal of the purchasing and procurement review is to have the consultant make recommendations to ensure the Municipality of Brockton has a policy and procedure in place that minimizes risks, is fair and transparent for all stakeholders, meets the legislative requirements and ensures Brockton is paying the best possible price for required goods and services.

Sustainability Checklist:

What aspect of the Brockton Sustainable Strategic Plan does the content/recommendations in this report help advance?

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| • Do the recommendations help move the Municipality closer to its Vision? | Yes |
| • Do the recommendations contribute to achieving Cultural Vibrancy? | Yes |
| • Do the recommendations contribute to achieving Economic Prosperity? | Yes |
| • Do the recommendations contribute to Environmental Integrity? | Yes |
| • Do the recommendations contribute to the Social Equity? | Yes |

Financial Impacts/Source of Funding:

- Do the recommendations represent a sound financial investment from a sustainability perspective? Yes

The Municipality was successful in receiving \$175,000 MMGF funds, and has currently received 75% of the total funding to begin the review. The MMGF is intended to cover the entire cost of the reviews presented to Council, with \$75,000.00 allocated to the Development and Planning Review.

Respectfully Submitted by:

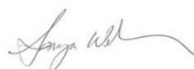


Trish Serratore, Chief Financial Officer



Fiona Hamilton, Clerk

Reviewed By:



Sonya Watson, Chief Administrative Officer