

Report to Council

Report Title:	Purchasing and Procurement Review		
Prepared By:	Trish Serratore, Chief Financial Officer and Fiona Hamilton, Clerk		
Department:	Finance		
Date:	October 27, 2020		
Report Number:	FIN2020-37	File Number:	C11FIN
Attachments:	Request for Proposals Document		

Recommendation:

That the Council of the Municipality of Brockton hereby approves Report Number FIN2020-37 – Purchasing and Procurement Review, by Trish Serratore, Chief Financial Officer and Fiona Hamilton, Clerk and in doing so approves accepting the proposal of LXM Law LLP in the amount of \$48,950 to complete a Purchasing and Procurement Review with a Final Report coming forward to Council by December 4th 2020.

Report:

Background:

The Municipality of Brockton was approved for funding from the Province of Ontario through the Municipal Modernization Fund to retain a third party consultant to complete a review and make recommendations in relation to Brockton's Purchasing and Procurement. The purpose of the funding was to obtain recommendations to improve processes, streamline procedures and reduce costs overall.

A request for proposal was circulated and bids were received until noon on Friday, October 16, 2020. The Request for Proposals has been attached to this report for Council's consideration but the individual submissions are not. As the submissions received were true proposals and not tenders, with varying methodologies and approaches, some bidders have requested that the details of the proposal be kept confidential to preserve their competitive advantage when bidding on other projects.

Overall, there were a number of objectives that staff were hoping to achieve with the proposals:

- General recommendations to improve the policy and procedures for clarity, compliance and competitiveness when obtaining goods and services;
- Recommendations about ways Brockton could use software, website modules or other digital avenues to obtain more bids and respond to changes in the marketplace; and
- Creation of template tenders, request for proposals, quotes, etc. that could be adopted to ensure compliance with all legal requirements and assist staff in procurement process.

Analysis:

Overall, 9 proposals in total were received, ranging in price from \$7,500.00 to \$90,000.00, with most proposals in the range of \$34,900 to \$48,950. Below is a chart that outlines all of the proposals received and the total cost:

Contractor/Bidder	Tender Amount
Way Finder	\$7,500.00
Presentation Plus	\$15,000.00
Novus Incorporated	\$22,831.65
KPMG LLP	\$34,900.00
RSM Canada	\$37,959.00
Avèro, LLC	\$44,160.00
Optimus SBR	\$47,250.00
LXM Law LLP	\$48,950.00
PWC	\$90,950.00

The following criteria were used to evaluate each proposal:

- Organizational capacity to ensure the project would be completed prior to the December 4, 2020 deadline required by the Agreement with the Province of Ontario;
- Demonstrated experience and knowledge with the legal requirements for procurement in Ontario and Canada specifically;
- Experience advising other municipalities of comparable size to ensure familiarity with the unique requirements under the *Municipal Act, 2001*;
- Professional qualifications and experience (particularly in terms of a demonstrated ability to create template documents);
- Proposed methodology, particularly the use of appropriate comparator municipalities (some proposed comparators only in Bruce County, which staff could already have evaluated, other comparators were much larger with entire procurement departments);
- Clarity of the proposal;
- Analysis of overall price, price for each component (if broken down) and hourly rates for principle staff.

LXM's proposal has been broken out into three parts, the first component, Part A, would be relatively comparable to all of the other submissions. This would include the final report and recommendations presented to Council in December, this portion was quoted at \$19,000 (+HST), alongside that would be any recommendations for software tools that could improve our tendering process, which would be an additional \$4,000, in total Part A would be \$23,000 (+HST) and would be completed by the December deadline. Part B of the proposal included draft templates, recommended changes to processes and policies. Part B would not be completed by December due to the complex nature of the documents that need to be updated and developed in consultation with staff, this section was quoted at 25,950 (+ HST). Therefore, staff feel the proposal presented by LXM has greater outcomes for the total proposal of \$48,950 as no other proposal provided the same degree of details about the specific templates and documents that would be provided.

The project lead is Lise Patry, B.A. Sc., LLB, ICD.D, partner at LXM Law LLP. Lise Patry is a commercial lawyer, certified corporate director and former business executive with a passion for government procurement. The majority of Lise’s 25-year career has been spent working on procurement contracts in government and private sector organizations as a commercial lawyer. She has also worked as senior executive responsible for procurement in a large federal Crown corporation. Through LXM Law, Lise provides general counsel services and offers expertise in structuring business contracts and advising on government procurement and corporate governance matters. In addition to LXM Law, Lise is a training instructor for NECI and has published several articles on procurement, including Procurement Governance 101 – Mind the Gaps!

The proposals were independently reviewed by Sonya Watson, Chief Administrative Officer, Trish Serratore, Chief Financial Officer and Fiona Hamilton, Clerk using set criteria and then the rankings were compared. The top choice for all staff was the proposal of LXM Law LLP in the total amount of \$48,950. LXM Law LLP had the organization capacity to complete the review on time, demonstrated a high degree of expertise related to the legal requirements from Ontario and Canada related to procurement, employed a variety of qualifications amongst staff people for a breadth of experience, and had completed nearly identical projects for municipalities in Ontario.

When the proposal of LXM Law LLP was reviewed in detail, the overall proposal was competitively priced. Staff feel this would be a great fit for the needs of the municipality and the proposal is well within the budgeted amount of \$75,000 in Provincial funds.

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 proposal submitted by LXM Law LLP is well within the \$75,000.00 budgeted and will be full funded through the Ontario Municipal Modernization Fund.

Respectfully Submitted by:

A handwritten signature in black ink, appearing to be 'Trish Serratore', with a stylized, flowing script.

Trish Serratore, Chief Financial Officer

A handwritten signature in black ink, appearing to be 'Fiona Hamilton', with a simple, elegant script.

Fiona Hamilton

Reviewed By:

A handwritten signature in black ink, appearing to be 'Sonya Watson', with a stylized, flowing script.

Sonya Watson, Chief Administrative Officer