

Appendix “A” to Report FCS21103(a)/PW22081 states the amendments to the City’s Procurement Policy

DEFINITIONS AND INTERPRETATION

SECTION 3

(Subsection to be added to the Procurement Policy)

“Vehicle” means a motor vehicle, trailer, traction engine, farm tractor, roadbuilding machine or any vehicle drawn, propelled or driven by any kind of power, including muscular power.”

POLICY # 2 – Approval Authority

SECTION 4.2

(Subsection to be revised in Procurement Policy)

(1) Any person delegated Approval Authority pursuant to this Policy # 2 shall ensure that:

- (a) an approved budget exists for the proposed procurement;
or
- (b) that for the period up until October 1, 2023, the proposed procurement for a replacement Vehicle or it associated equipment is in accordance with the Capital Pre-Approval Policy, as amended through Report FCS21103(a)/PW22081.

and that such procurement does not violate any City policies or any applicable law. Any such procurement shall also satisfy any applicable audit requirements of the City.

POLICY # 11 - Non-competitive Procurements

SECTION 4.11

(Subsection to be revised in Procurement Policy)

- (4) (a) That for the period up until May 1, 2023, for Contracts where the Goods and/or Services have been significantly impacted by extenuating circumstances within a commodity market to the extent where it may be necessary to consider a price adjustment in the Contract for that Good and/or Service, the General Manager of the Client Department in consultation with the General Manager of Finance and Corporate Services and the Manager of Procurement:
 - i) may enter into negotiations with the vendor on an existing Contract where:
 - .1 the vendor has provided evidence and the Procurement Manager has verified that the commodity market for the Good and/or Service has resulted in unprecedented price fluctuations; and
 - .2 where the timely and continuous supply of the Good and/or Service is required;
 - ii) may execute any amendment to the Contract and any ancillary documents required to give effect thereto with the vendor, in a form satisfactory to the City Solicitor.
- (b) The City’s Director of Financial Services, Taxation & Corporate Controller shall be responsible to prepare an annual information report to Council on all Contracts that have been amended as per subsection (4) of this Policy #11.
- (c) Where the annual increase in costs resulting from the amendment to the Contract exceeds \$250,000, be required to submit an information update to the City Manager and to Council for their information.”

Appendix “B” to Report FCS21103(a)/PW22081 states the amendment to the City’s Capital Pre-Approval Policy as highlighted in yellow for clarity.

THE CITY OF HAMILTON

**CORPORATE SERVICES DEPARTMENT
CAPITAL BUDGETS & DEVELOPMENT**

CAPITAL PRE-APPROVAL POLICY

FCS01005

Updated through FCS21103/PW22081

As written (years referenced updated):

THAT, City departments be authorized to tender and award replacement, repair or rehabilitation-type construction projects, in accordance with the approved purchasing policies and procedures, prior to the annual budget approval (e.g., the year **2023**) up to:

1. 50% of the previous year's (e.g., **2022**) capital budget for water, wastewater, storm sewers, waste management, community services, open space development & parks, planning, fleet & facilities, roads and transit projects which were approved in the first year of the previous year’s capital forecast **or where a project is planned and budgeted over the course of two or more years and the first year of construction has already been approved, the pre-approval policy applies to subsequent years;**
2. 50% of the previous year's capital budget for all other projects and services only if a specific project had been approved in the previous year’s capital budget and the first year of the forecast (e.g., **2022 and 2023**) and approved for construction; and
3. **Notwithstanding items 1 and 2 above, for replacement vehicles (“Vehicles” as defined under the Procurement Policy) and associated Vehicle equipment, for the period up to October 1, 2023, 100% of the budgeted amounts in years 2 through 4 of the most recent 10-year Capital Financing Plan may be tendered and awarded. Interim financing to fund deposits or other pre-payment requirement under this section would be sourced first from program reserves and second through an internal loan from the Unallocated Capital Reserve (#108020) with repayment terms consistent with our Internal Loan Guidelines.**

What does it mean?

The policy applies to all projects/programs within the water, wastewater, storm sewers, waste management, community services, open space development & parks, planning, fleet & facilities, roads and transit divisions.

The pre-approval policy for capital projects allows departments to commit up to 50% (or 100% in the temporary case of replacement vehicles and equipment as noted in Item 3) of the preceding year's approved capital budget on replacement, repair or rehabilitation projects that were previously identified for the upcoming budget year (i.e., forecasted in the prior year's budget).

Where a project, other than those listed above, is planned and budgeted over the course of two or more years and the first year of construction has already been approved, the pre-approval policy applies to subsequent years of the project.