



100 John West Way
Aurora, Ontario
L4G 6J1
(905) 727-3123
aurora.ca

Town of Aurora
Committee of the Whole Report
No. FIN26-006

Subject: 2026 Procurement Amendments Report + By-law

Prepared by: Anna Ruberto, Manager, Procurement

Department: Finance

Date: February 10, 2026

Recommendation

1. That Report No. FIN26-006 be received; and
2. That the necessary by-law to replace Appendix "A" of the Town's Procurement By-law No. 6404-22, as amended, with an updated policy reflecting the amendments outlined in this report be enacted at a future Council meeting.

Executive Summary

This report provides an overview of the amendments proposed for the Procurement By-law. Procurement Services conducted a survey with Town staff to identify opportunities for updates to the by-law. Based on the feedback and identified opportunities, the by-law amendment is proposed to include the following:

- Many of the amendments clarify the terminology used in the Procurement By-law to make the procurement process easier.
- Separating Schedule B - Exclusions into two separate schedules will provide clarification and make it easier for staff to use.
- Non-standard Procurement types are further refined to ensure alignment with the proper approval paths within the financial system.
- Three new exclusions are proposed for the Procurement By-law.
- Schedule A will be aligned with the Schedule of Definitions for Suppliers and Bid Documents which is posted on the Town's website.
- Proposed changes in defining the procurement value and the requirement for a purchase order to align with current best practices.

- Proposed change to support the shortening of procurement timelines for piggybacks on bids completed by other government agencies.
- Staff are monitoring changes to provincial legislation which could impact municipal procurement practices.

Background

The procurement modernization project was approved as part of the 2021 Capital Budget. The scope of the project included a review of the state of procurement, development of a new by-law, policy, and protocols.

At the November 30th General Committee meeting, report FIN21-049: Procurement Modernization Project Update provided an overview of the current state of procurement at the Town of Aurora. This report recommended several actions to improve procurement and many of these were addressed in a resulting updated policy. By-law No. 6404-22, being a By-law to enact a new Procurement Policy for the Town of Aurora, was enacted on February 22, 2022 (the "Procurement By-law").

By-law No. 6404-22 represented a complete change compared to the previous one. This modernized by-law aligned with the latest procurement best practices and trade treaties.

In June 2022, Council enacted By-law No. 6430-22 to amend the Procurement By-law to help streamline the process for Non-Standard Procurements (NSP) relating to software licencing, maintenance, subscription, and related fees.

In February 2025, Council enacted By-law No. 6676-25 to amend the procurement thresholds set out in the Procurement By-law and to support more Canadian sourced procurements and suppliers.

Analysis

Many of the amendments clarify the terminology used in the Procurement By-law to make the procurement process easier

During the review of the by-law, staff identified that legacy form names used when the procurement process was manually performed are still referenced within the by-law. In 2023 the Town implemented a new financial system that uses different terminology for forms and processes. Prior forms names such as: "Procurement Authorization Form" and "Non-Standard Procurement Authorization Form" are now obsolete and will be

updated to "Requisition" to reflect the name used in the financial system. Similarly, the "Purchase Order requisition" will be updated to "Purchase Order".

Other terminology changes proposed for this by-law update are:

- Separate Schedule B which currently includes exclusions and non-standard procurements (NSPs) into two schedules: Schedule B – NSPs and Schedule E – Exclusions
- Definitions - Updates based on new Schedule of Definitions for Suppliers and Bid Documents
- Updates to align the by-law with current practices and terminology
- The Procurement By-law includes a variety of options for procurement with the main types being:
 - Low-value procurements: Value less than \$50,000 and requires a quote
 - Mid-value procurements: Invitational procurements to a minimum of three Suppliers value between \$50,000 and less than \$100,000
 - Open competition procurements: Valued at \$100,000 and up and posted publicly
 - Non-Standard Procurements: These follow the guidelines outlined in the Procurement By-law

Procurements over \$100,000 are referred to as Open Competition in the current By-law. To align this process terminology with the other types of procurements in the By-law, Low-Value Procurements and Mid-Value Procurements, procurements over \$100,000 to be referred to as High-Value Procurements.

Separating Schedule B - Exclusions into two separate schedules will provide clarification and make it easier for staff to use

The current Schedule B - Exclusions contains both exclusions to the By-law and NSPs. These types of procurements require a different process and approval path to complete. Staff have provided feedback that the current Schedule B - Exclusions is complicated and unclear. To provide better clarity for staff to identify and select the proper procurement type, Schedule B has been separated into two Schedules.

Schedule B – Exclusions will be renamed Schedule B – Non-Standard Procurements and only include the NSPs that are included within the current Schedule B. Attachment 2 – Updated Schedule B - Non-Standard Procurements shows the name change and exclusions being removed from the existing schedule, leaving only the NSPs.

A new Schedule E – Exclusions, shown in Attachment 3, will contain the exclusions removed from the current Schedule B. This change will simplify and improve the procurement process for staff.

Non-standard Procurement types are further refined to ensure alignment with the proper approval paths within the financial system

During the by-law review, staff conducted an analysis of the NSPs listed within Schedule B and the financial system. The financial system ensures the proper NSP categorization and approval path. It was identified that the by-law Schedule B requires better alignment to the financial system.

The below items identified as h) to m) are to be added to Schedule B - Non-Standard Procurements:

- h) the Procurement is to be awarded under a Piggyback arrangement, as permitted under this policy;
- i) there cannot be a change made to the existing Supplier due to economic or technical reasons, software licenses/maintenance/services, or installations procured under the initial procurement;
- j) there cannot be a change made to the existing Supplier due to a significant inconvenience or substantial duplication of costs for the Town;
- k) the Procurement is for an offer to buy-out equipment or extend a rental contract that may be beneficial to the Town;
- l) the Procurement is due to a Contract termination/expiry/or other reason, and Deliverables are Purchased for a short interim period to meet immediate recurring business requirements while a related Procurement process is initiated for a longer-term supply of the same Deliverables;
- m) an Open Competition was conducted for the required Deliverables and did not result in the receipt of any valid Bids in accordance with this policy.

Three new exclusions are proposed for the Procurement By-law

Procurement Services conducted an initial survey in May to June 2025 with subsequent clarification discussions. Staff feedback included the need for three additional exclusions. The new items in Schedule E are listed as items x. to xii. and are listed below:

- x. advertising for Town services or programs
- xi. goods or services for public relations, media, social media monitoring, trade show registration, booth rentals, and event sponsorship
- xii. goods or services for the purpose of conducting a municipal by-election

These exclusions will support staff in ensuring they can deliver services. The first two items, do not fit with the purpose of the Procurement By-law to competitively bid for deliverables. Advertising and media services are used where the message can be delivered most effectively. Municipal by-elections were also added as an exclusion as they can have short timelines which do not permit for the time to run a competitive bid process.

Schedule A will be aligned with the Schedule of Definitions for Suppliers and Bid Documents which is posted on the Town's website

The current Schedule A in the by-law is named Schedule A - Glossary of Terms. This Schedule will be modernized and renamed to Schedule A - Definitions.

Recently Procurement Services worked closely with Legal Services and developed a Schedule of Definitions for Suppliers and Bid Documents. The document is posted on the Intranet, available to all staff, and on the Town's website for Suppliers' use. Terms used in the by-law are included in the Schedule A - Definitions and will be updated based on the new Schedule of Definitions for Suppliers and Bid Documents which will provide consistency within the Town documents.

Proposed changes in defining the procurement value and the requirement for a purchase order to align with current best practices

To establish the type of procurement, staff calculate the procurement value for similar deliverables with the same supplier over the next five years for most procurements for ongoing operations where the deliverable type permits. There are some exceptions to this including capital projects and some commodity-based procurements where prices cannot be guaranteed for longer periods of time such as paper. This practice is not reflected currently in Section 6.3 - Procurement Value of the By-law.

Also, this update includes a recommendation to address a finding in the Accounts Payable Audit Report covering the period June 1, 2023, to March 31, 2024: "Low-value repetitive purchases that may breach procurement process." The Auditor's recommendation is for the Town to "identify opportunities for competitive procurement

where repeat purchases are made from the same vendor without a formal contract.” To align the By-law to current practices and address the Audit findings, the following language will be included in Section 6.3 - Procurement Value:

“For continuous operations, and where the market for supply of the Deliverable permits, the Procurement Value should be calculated by considering Town needs for the next 5 years. Possible extension years must be included in the calculation of the Procurement Value. Capital projects are to be considered as individual projects. Departments must refer to the Procurement Planning Protocol for additional guidance on determining the Procurement Value.”

Another Administrative change is to separate Low-Value Procurement in Table 1 – Table of Authority into two lines to clarify the need of a purchase order for procurements over \$25,000. This update is also a recommendation to address the finding ‘Purchase Order (PO) requirements were not consistently applied’ in the Accounts Payable Audit Report. The Auditor recommendation is that ‘Management should develop and implement a formal policy requiring the use of POs for all transactions above an established threshold. The policy should clearly identify the transactions that are exempted from the PO requirement and ensure consistent application across all departments.’

At the time the by-law was enacted the policy identified the requirements for POs for procurements over \$25,000: mid-value procurements (\$25,000 to less than \$50,000), high-value procurements (above \$50,000), and non-standard procurements. However, the threshold for low-value procurements was changed to \$50,000 in February 2025, and now the \$25,000 limit for POs falls under low-value procurements. To clarify that purchase orders are required for purchases over \$25,000 Table 1: Table of Authority needs to be updated. The proposed change is to separate low-value procurement in two lines. One for those less than \$25,000 showing that a purchase order is not required, and second line for those \$25,000 to less than \$50,000 showing that a purchase order is required.

Proposed change to support the shortening of procurement timelines for piggybacks on bids completed by other government agencies

Staff proposes that NSPs with government entities, for values greater than \$250,000 to be authorized by the Procurement Governance Committee. The change to the approval requirements will streamline procurements that are essentially piggyback arrangements. This approval process will shorten procurement timelines by eliminating the requirement of Council approval. This would follow a similar process to other NSPs

relating to software licenses, maintenance, and pay related fees (excluding implementation costs), for contracts up to five years and over \$250,000.

This proposed addition will be reflected in Table 2 - Table of Authority and in Authorization Process section, by adding the following: 'If the Procurement Value is equal to or greater than \$250,000 and is for a Piggyback with a government or public agency, the PGC may authorize the Procurement and delegate the authority to procure to the Department Head'.

Staff are monitoring changes to provincial legislation which could impact municipal procurement practices

On December 11, 2025, the *Buy Ontario Act, 2025* (Bill 72) received Royal Assent (the "Act"). The Act captures a broad class of public sector organizations. The broad definition means compliance will extend across agencies, hospitals, school boards, post-secondary institutions and many other public sector entities. Other entities can be added to the definition, and the Government has indicated the legislation would also apply to Municipalities, despite Municipalities not yet being included in the definition.

Under this Act, the Management Board of Cabinet may issue directives requiring public sector entities to comply with specified procurement policies, procedures or standards. Subsection 3 (2) of the Act provides that the directives may, among other things, require that preference be given first to Ontario-made goods/services, followed by Canadian. Some directives may require public sector entities to report on certain matters and use compliance and enforcement measures to impose measures on vendors. The Act introduces stricter compliance measures including potential withholding of funds for non-compliant public sector entities and requirements for contractors to adhere to these rules. It replaces the *Building Ontario Businesses Initiative Act, 2022*, aiming to strengthen supply chains, and shields entities from liability while enforcing these new requirements.

Ministry of Public and Business Service Delivery and Procurement is preparing a Made-In Ontario Fleet Vehicle Policy, with a target implementation date early 2026.

This policy's objective is to support the domestic automotive industry and incent investments to protect automotive jobs in the province by leveraging the significant purchasing power of the public sector to support the province's automotive industry.

It has been communicated that the policy will be applicable to Ontario Public Service (Ministries and the Ontario Provincial Police (OPP), Provincial Agencies, Broader Public Sector (BPS), and Municipalities and will require the entities to procure light-duty

passenger fleet vehicles manufactured in Ontario (Tier 1- Made-in Ontario (MIO) – these vehicles have "2" as the first digit of the Vehicle Identification Number). If the entity could not procure/lease a vehicle from a Tier 1 manufacturer (the vehicle is unavailable, or it is not operationally feasible) then the entity should procure the vehicle from Ontario Vehicle Producers (OVP) (Tier 2- Vehicles from OVPs are Original Equipment Manufacturers (OEMs) that sell vehicles and would meet the proposed threshold of 1,500 annualized jobs across their Ontario footprint of active and/or planned fully and partially owned vehicle assembly and plants.). Proper documentation is required if a decision is made to procure from a Tier 2.

Tier 1: Made-in-Ontario Vehicles	Tier 2: Ontario Vehicle Producers
Toyota Rav4s and Rav4 Hybrids	Ford
Chrysler Caravans and Pacificas	GM
Honda CRV, CRV hybrid, Civic Honda	Honda
Lexus RX, Lexus NX	Stellantis
	Toyota
	Volkswagen

The new Provincial Acts and Policies that legislate procurement from Ontario or Canadian manufacturers will require the Town to act quickly to implement the new requirements, include them into the by-law and daily procurement practices including staff training, updates to the bid documents and communication to the departments.

Advisory Committee Review

None

Legal Considerations

Legal Services has been following legislative updates and reviewed the updated by-law wording. In the event that provincial legislation is made applicable to municipalities, as discussed above, the Town will be required to adhere to any applicable regulations and directives, which would supersede the Town's Procurement By-law and policy in case of conflict.

Financial Implications

There are no direct financial implications of this report.

Communications Considerations

Communications will ensure any modifications to the Procurement By-law are posted on the Town's website where applicable.

Climate Change Considerations

Procurement of more locally sourced goods can reduce the distance to transport goods resulting in the reduction of greenhouse gas emissions.

Link to Strategic Plan

The new by-law supports the leadership in corporate financial management and progressive corporate excellence, innovation and continuous improvement, guiding principles of the strategic plan by improving the procurement process to make it more effective and provide more bidding options to enable more negotiations which should result in savings on future contracts.

Alternative(s) to the Recommendation

1. Council provide direction.

Conclusions

The proposed updated Procurement By-law will improve procurement at the Town of Aurora. The proposed amendments are mostly administrative updates with a proposed change to the approval for piggybacks onto government entity contracts.

Staff will continue to monitor and comply with the requirements of the Buy Ontario Act, should it become applicable to Municipalities.

The Procurement Services division will continue their focus on training and developing procurement knowledge of all staff that are involved in purchasing goods or services. If approved by Council, all new procurements will follow the new by-law and staff training will begin.

Attachments

Attachment 1 - Amended Procurement By-law with Track Changes

Attachment 2 - Updated Schedule B - Non-Standard Procurements

Attachment 3 - Updated Schedule E - Exclusions

Previous Reports

None

Pre-submission Review

Agenda Management Team review on January 22, 2026

Approvals

Approved by Rachel Wainwright-van Kessel, Director, Finance

Approved by Doug Nadorozny, Chief Administrative Officer