



COUNCIL REPORT

Report Date: July 2, 2026
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Meeting Date: July 15, 2026
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TO: Standing Committee on City Finance and Services
FROM: Chief Procurement Officer
SUBJECT: Changes to the Procurement Policy and Delegated Authority

Recommendations

- A. THAT, effective October 1, 2026, Council approve the elimination of the Bid Committee.
- B. THAT, effective October 1, 2026, Council approve an increase to the Permitted Sole Source threshold from \$10,000 to \$25,000.
- C. THAT, effective October 1, 2026, Council approve repositioning its procurement governance role from approving individual contract awards to setting strategic direction through approval of the Capital and Operating Budgets, with approval of individual contract awards under the approved Budgets being delegated to City staff in accordance with the terms of this report.
- D. THAT Council direct and grant authority to City staff to update the City's Procurement Policy (ADMIN-008) to reflect the amendments described in Recommendations A through C above.
- E. THAT the City's Director of Finance provide a copy of the City's Procurement Policy to the Park Board, the Police Board, and the Library Board and request that they adopt equivalent amendments to their respective Board Procurement Policy to align to the City's Procurement Policy.

Purpose and Executive Summary

The purpose of this report is to request Council's approval of a series of amendments to the City's Procurement Policy (ADMIN-008) to improve the City's procurement efficiency and align

the City's purchasing processes with those of other large municipalities. This report recommends three changes:

1. eliminating the Bid Committee;
2. increasing the Permitted Sole Source threshold from \$10,000 to \$25,000; and
3. repositioning Council's governance role from the administrative, contract-award stage of individual procurements, to earlier in the buying process at the budgeting stage where Council can provide more strategic direction.

This approach strengthens Council's role in setting policy and priorities, while enabling staff to execute procurements efficiently and accountably within that mandate. These amendments will allow staff to save well over 1,000 hours of work per year, deliver projects faster and save Council time by limiting the number of contract awards that come to Council for approval.

This report also outlines how Council will continue to be informed of awarded and upcoming procurements, and the mechanism by which Council can hold for discussion of any upcoming procurement of interest. The report also sets out the criteria under which the Chief Procurement Officer will continue to bring a contract to Council notwithstanding these changes, where doing so is warranted.

Each of these changes will bring Vancouver's Procurement Policy into closer alignment with practices already in place at comparable municipalities and public sector organizations.

- None of the municipalities canvassed by staff have a Bid Committee. The City of Toronto, the sole remaining municipality that had a similar approval body, abolished their Bid Award Panel in 2025.
 - In 2024, 60 contract awards went to Bid Committee for approval, which is estimated to add on average ten days to award dates and require approximately seven hours of staff time.
- The Permitted Sole Source threshold of \$10,000 was last updated in 2018 (from \$5,000), has not kept pace with inflation and is significantly lower than thresholds used by comparable municipalities and public bodies. Raising the threshold to \$25,000 would enable an estimated 250 additional procurements per year to be sole sourced where appropriate. This change reduces the extensive administrative burden for low value, routine procurements while maintaining an open purchasing process for higher value procurements, ensuring integrity and pursuit of Best Value for all purchasing activities.
- Several government organizations have modernized their governance models to focus their senior governing body's role on setting policy and budget direction, rather than approving individual contracts. This reflects the view that once policy and budget parameters have been set, contract-level approval occurs too late in the process to allow for meaningful course correction and adds limited incremental value.
 - In 2024, 24 contract awards were required to be approved by Council, adding approximately 33 days to award dates.

Council Authority/Previous Decisions

Amendments to the City's Procurement Policy, including the Commitment and Execution delegated authorities in that Policy, require the approval of Council.

On November 29, 2023, Council approved amendments to the Procurement Policy and Delegated Authority (RTS 15962), which raised the Council Commitment Authority threshold from \$2,000,000 to \$3,000,000, raised the Bid Committee threshold range from \$750,000–\$2,000,000 to \$1,000,000–\$3,000,000, and adopted a revised definition of "Total Price" to include all contract extension options, effective January 1, 2024.

On April 17, 2018, Council last updated some of the delegated authorities in the City's Procurement Policy (RTS 12144 - Changes to Delegated Authorities and Policies for Procurement).

City Manager's Comments

The City Manager concurs with the foregoing recommendations.

Context and Background

City staff conducted a jurisdictional scan to identify opportunities to modernize the City's Procurement Policy and align the Policy with those of other similar organizations. The organizations reviewed included Metro Vancouver, TransLink, City of Surrey, City of Richmond, City of New Westminster, City of Delta, City of Ottawa, and City of Toronto.

The jurisdictional scan found that none of the organizations reviewed operate a dedicated contract award committee structure similar to Vancouver's Bid Committee. For those entities, authority instead flows from the Chief Procurement Officer (or equivalent) directly to the senior governing body, such as council, board, or management, based on value thresholds. The City of Toronto completed a review of its own equivalent Bid Award Panel in March 2025 and similarly concluded that the Panel did not provide oversight sufficient to justify the delays derived from the administrative process, recommending its elimination and an increase in the Chief Procurement Officer's award authority to \$30 million.

The scan also identified direct precedent for eliminating the requirement for council approval of individual contract awards where council has already approved the expense within the municipal capital or operating budget. Each of these jurisdiction's grounds its approach in the same principle underlying the recommendation in this report: that council, or the equivalent governing body, has already made the relevant policy and funding decision when the budget, business plan, or capital plan is approved.

The scan also found that the Vancouver's sole source limit of \$10,000 is much lower than other benchmarks, with most organizations setting the threshold at \$25,000.

Discussion

Elimination of Bid Committee

Staff recommend eliminating the Bid Committee. The Bid Committee currently approves contract awards valued between \$1,000,001 and \$3,000,000 and meets on an as-needed basis with a quorum of two voting members. In 2024, 60 awards went to Bid Committee for approval, with each estimated to add an average of ten days to award dates and approximately seven hours of staff time to prepare, present and approve the recommendation.

This duplicates oversight that is already performed earlier in the procurement process. The Chief Procurement Officer reviews every recommended award for compliance with the Procurement Policy and Best Value criteria. The jurisdictional scan found that none of the organizations reviewed operate an equivalent standing committee for this purpose. The City of Toronto's own March 2025 review of its Bid Award Panel reached the same conclusion, finding that the Panel "does not provide additional oversight in the procurement process to justify the delays and additional workload that it creates" and recommending its elimination in favour of delegating award authority directly to the Chief Procurement Officer, with a corresponding increase in the Council/Standing Committee threshold to \$30 million.

Contracts previously going to Bid Committee will be approved under the existing Commitment Authority table by the Chief Procurement Officer in consultation with the relevant Department Head. The City will maintain transparency through the existing practice of posting all contract awards and through the Chief Procurement Officer's annual report to Council on procurement activity, consistent with Section 10.1 of the Procurement Policy.

Increasing the Permitted Sole Source Threshold from \$10,000 to \$25,000

Staff recommend increasing the Permitted Sole Source threshold under Section 9.1(c) of the Procurement Policy from \$10,000 to \$25,000. This threshold was last updated from \$5,000 in 2018 and has not kept pace with inflation. The proposed \$25,000 threshold would bring Vancouver's policy in line with comparable municipalities.

Staff estimate that raising the threshold to \$25,000 would enable approximately 250 additional procurements per year to be sole sourced, reducing administrative burden on both SCM staff and business units for routine, low-value purchases. This change does not affect the separate Notice of Intent to Contract (NOITC) process used for higher-value sole source awards under Section 9.1(b), nor does it affect the City's obligations under applicable trade agreements, which set materially higher thresholds for mandatory open procurement competition.

Jurisdictional Scan

Sole Source Threshold	Organization
<\$25K	Metro Vancouver
<\$25K Goods <\$40K Services & Construction	Government of Canada
<\$25K	Region of Peel

Sole Source Threshold	Organization
<\$4K Goods <\$25K Services	City of Ottawa
<\$20K	City of Delta

Repositioning Council Oversight Earlier in the Procurement Process

Staff recommend adopting a governance approach similar to other public sector organizations whereby Council provides oversight and budget direction through approval of the City's Capital Budget and Operating Budget rather than individual contracts. This change would remove the requirement for staff to seek Council approval prior to contract award for purchases over \$3 million where Council had previously approved that expenditure through either the Capital or Operating Budget approval processes.

This approach would save significant staff time used to prepare and approve reports, Council time used to review and approve individual procurement awards, and critically, turnaround time to deliver facilities, products, and services for residents. Faster procurements will also lead to material savings on major projects.

At the discretion of the Chief Procurement Officer, staff may take specific contract awards to Council where there is a significant public interest or when directed by Council. This will preserve Council's ability to provide policy direction and oversight where appropriate, while significantly reducing administrative burden.

The Quarterly Budget Adjustment report to Council will continue to update Council on any adjustments to the Capital Plan, providing opportunity for Council oversight for any adjustments to Capital Plan spend. Additionally, Finance and Supply Chain Management will continue to issue the Quarterly Review of the Operating and Capital Budgets to keep Council apprised of the City's performance against budget.

In 2024, 24 contract awards went to Council for projects whose funding had already been approved. Each of those approvals added an average of 33 days to the contract award date, on top of the staff time required to prepare the report.

Jurisdictional Scan – Budget and Contract Approvals

This governance approach is becoming common practice across other similar municipalities and government organizations. The jurisdictional scan completed by staff identified several organizations across Canada using this model, as summarized below:

1. **City of Ottawa** – Ottawa's Procurement By-law explicitly authorizes staff to award multi-year contracts within Council-approved budget estimates included in the Adopted Budget without returning to Council for each award, provided the Chief Financial Officer confirms future funding is reasonably expected to be available. Ottawa has operated this way since 1999.
2. **City of Delta** – In December 2023, Delta Council approved a new Purchasing Policy that eliminated the need for Council approval of contract awards where Council has

already approved the expense within the City's Financial Plan. This supported streamlining City processes and eliminating a time delay in contract awards.

3. **City of Abbotsford** – Abbotsford has a similar model to Delta, where the City Manager can approve awards up to the amount budgeted within the most recent Five-Year Financial Plan or as otherwise approved by Council resolution.
4. **City of Calgary** – Calgary's Execution of Contracts Bylaw gives the Chief Administration Officer (CAO) the authority to approve and sign City agreements and procurement contracts. To support this Bylaw, Calgary has a Delegation of Authority where the CAO delegates this responsibility to Supply Management. City Council approves the Administration's entire budget that covers all capital and operating for City Services. Council does not approve specific procurement budgets or awards.
5. **City of Edmonton** – Under Edmonton's governance model, if Council approves a City project, program, or activity including its associated budget, and directs the City Manager to negotiate and approve the agreements required for that project, program, or activity, then the City Manager may approve agreements in accordance with Council's direction.
6. **City of Richmond** – Richmond uses delegated authority levels to move Council approved construction projects through procurement without a separate Council award step for each contract.

Vancouver is currently an outlier in requiring a secondary Council sign-off after the applicable budget approval process has been completed. Other municipalities canvassed do not treat a contract award as requiring its own separate governing-body decision, provided the budget is already approved.

Chief Procurement Officer's Discretion to Bring Contract Award to Council

As part of the proposed amendments to the Procurement Policy, staff recommend that the Chief Procurement Officer retain discretion to bring certain proposed contract awards to Council. The Chief Procurement Officer would be permitted to exercise this discretion even when the contract could otherwise be awarded without Council approval, where any of the following circumstances apply:

1. The award is not being made to the lowest-priced or highest-scoring compliant bidder, and the rationale for departing from that outcome warrants Council's awareness;
2. The procurement has attracted, or is reasonably likely to attract, significant public, media, or stakeholder attention;
3. A conflict of interest, ethical concern, or material risk has been identified that the Chief Procurement Officer, in consultation with the City Solicitor, considers should be brought to Council's attention;
4. The award would represent a material change in scope, schedule, or risk profile from what Council approved when it authorized the underlying project or budget; or
5. The Chief Procurement Officer or the relevant Department Head is otherwise of the view that the award should be made by Council.

This approach mirrors that taken by other municipalities, whose procurement policies similarly preserve administrative discretion to escalate an award to Council outside the normal delegated process where certain factors are present. The overall goal is to expedite routine and simple awards and bring to Council decisions that may be politically or operationally significant, or otherwise present increased risk to the City.

Modernizing the City’s Procurement Policies while Retaining Council’s Oversight Role

The three changes recommended above are designed to remove processes that are largely redundant and align the City of Vancouver to other similar government organizations. Each change targets a step that adds delay without adding meaningful value. The proposed changes retain Council’s input where it would be substantively useful, for example, where a procurement has significant public or Council interest, where it departs from the normal evaluation outcome, or where it carries risks beyond what was contemplated when the underlying project or category of purchase was approved.

Financial Implications

There are no financial implications associated with this report’s recommendations.

Legal Implications

Legal Services has reviewed the proposed amendments to the Procurement Policy and confirms that, if implemented, the amended Policy would be consistent with the City’s procurement obligations under applicable legislation and trade agreements.

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