

# Report to Council



**Date:** January 18 2021  
**To:** Council  
**From:** City Manager  
**Subject:** Rescindment of Council Policy No. 160: Bonding Requirements  
**Department:** Purchasing Branch

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## **Recommendation:**

THAT Council receives, for information, the report from Purchasing, dated January 18, 2021, regarding Council Policy 160;

AND THAT Council Policy No. 160, being the Bonding Requirements For All Construction And Servicing Contracts Policy, be rescinded as outlined in the Report from Purchasing, dated January 18, 2021.

## **Purpose:**

To rescind Council Policy No. 160, being the Bonding Requirements For All Construction And Servicing Contracts Policy.

## **Background:**

In 1986, the City adopted Council Policy No. 160 to set standards for the requisite bidding and performance security. The Policy was last reviewed in 2010.

Over the years performance security needs have been changing and with the use of additional modern procurement methods the Policy needed revisions to be relevant. In addition, the Development Engineering group uses performance security regularly with developers and has no Policy to support development performance security. Staff saw an opportunity to make a replacement Policy that was more modern and more inclusive of all performance security used at the City.

## **Discussion:**

As part of the review of the existing Council policy, staff completed a review of standard practices amongst other local governments as well as consulting with sector experts. Staff also consulted other staff experts and stakeholder departments to establish a recommended Administrative Policy to replace the Council Policy. The Council Policy, if rescinded by Council, is proposed to be replaced by the attached Draft Administrative Policy # FIN-025 named Performance Security. The Administrative

Policy describes the type and value of work that Security is required for and what the value of the Security is to be. In developing the Policy requirements, risk potential and impact of a failure were also influencing factors. In addition, the Policy also defines the business areas and staff positions responsible for enacting the requirements contained.

By having an Administrative Policy staff can be more agile and can adjust the Policy if thresholds are found to not be meeting desired outcomes and as newer practices have the prospect of better outcomes for the City.

**Conclusion:**

This Policy rescinding, if approved by Council, will permit staff to implement a modern and more inclusive Administrative Policy to govern more fully the use of Performance Security at the City.

**Internal Circulation:**

Engineering Development  
Infrastructure Delivery  
YLW  
Risk Branch  
Financial Services  
Office of the City Clerk

**Considerations applicable to this report:**

Bonding Requirements For All Construction And Servicing Contracts Policy No. 160.

**Considerations not applicable to this report:**

*Legal/Statutory Authority*  
*Legal/Statutory Procedural Requirements*  
*Communications Comments*  
*External Agency/Public Comments*  
*Financial/Budgetary Considerations*

Submitted by: D Tompkins, Purchasing Manager

**Approved for inclusion:**



G. Davidson, Divisional Director, Financial Services

cc:

A Newcombe, Director of Infrastructure  
J Dueck, Acting Financial Services Director  
S Samaddar, Airport Director  
S Leatherdale, Corporate and Protective Services Director  
R Smith, Planning and Development Director  
L. Bentley, Deputy City Clerk

Incl.

Draft Administrative Policy # FIN-025 named Performance Security