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The Regional Municipality of Durham Report

To: Finance and Administration Committee
From: Commissioner of Finance
Report: #2026-F-6
Date: April 14, 2026

Subject:

Pursuit of Disqualification of Vendor for Fraudulent Actions

Recommendation:

That the Finance and Administration Committee recommends to Regional Council:

That the Commissioner of Finance, who bears responsibility for the Region's procurement under Regional By-law 16-2020, be authorized to pursue the disqualification of a vendor on the basis a fraudulent act impacting the Region, in accordance with the established procedure for disqualification established by the Purchasing By-law and Vendor Dispute Resolution Process.

Report:

1. Purpose

- 1.1 The purpose of this report is to obtain Council's approval for staff to pursue disqualification of a company for committing a fraudulent act impacting the Region for a period of one year.

2. Background

- 2.1 Public procurement is based on longstanding principles of open, fair, and transparent processes meant to ensure that goods, services and works are procured without favouritism, through the application of the highest standards of business ethics, with the goal of ensuring best value for the Region.
- 2.2 In certain circumstances, it is in the best interests of the Region to preclude a company from being eligible to bid in procurement processes, referred to as disqualification.

- 2.3 The Purchasing By-law (By-law #16-2020) delegates authority to Region staff to disqualify a bidder or supplier where certain circumstances have occurred within the last five years. The list of circumstances is an enumerated list and does not include fraudulent acts, which is why staff are seeking authority in this instance. The reasons for disqualification listed in the Purchasing By-law refer mainly to issues that would arise between the Region and a vendor during the administration of a contract between the parties, such as, litigation, failure to pay, poor performance, and abusive or threatening behaviour toward staff.
- 2.4 Staff have encountered a situation where a company that is not currently contracted by the Region committed a fraudulent act impacting the Region. Staff believe that where a company commits fraud in a way that could impact the Region and its reputation, it is in the best interest of the Region to take action to prevent that company from bidding on future work for a certain length of time. Further confidential information is detailed in Confidential Attachment #1 (provided separately).

3. Conclusion

- 3.1 Staff are seeking Council's authorization to pursue disqualification against a company that was found to have committed fraudulent acts impacting the Region for a period of one year.
- 3.2 If authorization is given, staff will follow the procedure for disqualification established by the Purchasing By-law and Vendor Dispute Resolution Process.
- 3.3 Regional staff will consider recommending that fraudulent acts should be specifically included in the enumerated list during the next review of the Purchasing By-law.
- 3.4 This Report has been reviewed by Legal Services and they concur with the recommendations.

4. Attachments

- 4.1 Confidential Attachment #1: Provides additional confidential information supporting this report.

Respectfully submitted,

Original Signed By

Nicole Pincombe, CPA, CMA
Commissioner of Finance

Recommended for Presentation to Committee

Original Signed By

Elaine C. Baxter-Trahair
Chief Administrative Officer