

COMMITTEE OF THE WHOLE (2) – May 10, 2022

STAFF COMMUNICATIONS

Distributed May 6, 2022

SC1. Memorandum from the Deputy City Manager,
Legal and Administrative Services & City
Solicitor and Acting Director of Procurement
Services

Subject

Procurement Activity Report,
Quarter 1 - 2022

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Please note there may be further Communications.

DATE: Friday, May 6, 2022

TO: Mayor and Members of Council

FROM: Wendy Law, Deputy City Manager Legal and Administrative Services & City Solicitor
Mary DiGiovanni, Acting Director of Procurement Services

RE: **STAFF COMMUNICATION – May 10, 2022 / CW(2)**
Procurement Activity Report, Quarter 1 - 2022

1. Purpose

The purpose of this Staff Communication is to provide Mayor and Members of Council information regarding Procurement Activities undertaken in Q1 2022.

Under the City of Vaughan's *Corporate Procurement Policy PS-003, Reports to City Council Section 4.6.1*, "The Director of Procurement Services shall prepare a summary information report on all procurement awards, to be submitted to Council on a quarterly basis".

2. Analysis

128 procurement contracts worth \$133.3 million were processed in Q1

Procurement Services processed 68 competitive bids valued at \$130.7 million and 60 non-competitive bids valued at \$2.6 million.

Additional details of all contract awards for procurement activities undertaken in Q1 2022 are available on the Vaughan Online [Procurement Services internal site](#) and the Procurement Services page on the [City of Vaughan external website](#).

The [City of Vaughan Bidding Portal](#) offers public access to all bid documents, including bid results and contract awards. Consolidated quarterly contract awards are also available via the Procurement Services page on the City of Vaughan external website.

Competitive spend expressed as a percentage of total procurement value is 98.0% for this quarter, 8.2% higher than Q1 2021.

Procurement Services continues to work with client departments to further improve the competitive procurement awards, while reducing the non-competitive spend.

Departments processed \$0.8 million in Low Dollar Module (LDM) Purchase Orders

In 2017, the LDM Purchase Order system was introduced to accommodate urgent departmental operational requirements while introducing transparency, comprehensive reporting and analysis and compliance with enhanced internal controls.

The introduction of LDM Purchase Orders through JDE has provided a more robust reporting tool, allowing the distribution of monthly reports to departments with information on their LDM purchases. It also provides Procurement Services with the ability to review the types of procurements made and engage in meaningful conversations with departments regarding spend patterns and alternate procurement methods that could be thoughtfully considered. This will help facilitate the departments' procurement needs while leveraging the City's buying capacity to obtain the best value for money spent.

During Q1, there were 832 LDM purchase orders issued, totaling \$0.8 million.

Q1 2022 LDM purchases are down \$0.3 million or 29 percent over the same quarter last year. A portion of this reduction was due to transitioning LDM purchases to competitive procurements through corporate contracts or Vendor of Record arrangements.

While Procurement Services has successfully worked with several departments to reduce their LDM purchases, further opportunities exist to analyze procurement spend data on a corporate wide basis, rather than just at the department level, to identify further opportunities to shift low dollar transactions to more efficient procurement methods through a disciplined approach. These include, consideration of additional Vendor of Record (VOR) Arrangements or Contracts, use of existing Competitive Processes (Multi-Year Contracts, Blanket Order Arrangements, VORs) and optimizing the use of PCard for eligible expense groups.

Departments processed \$1.8 million in Purchasing Card (PCard) transactions

To provide City employees with the flexibility to conduct day-to-day business, departments have the authority to purchase low value goods and services using PCards. As of March 31, 2022, there were 280 approved PCard holders throughout the City of Vaughan and Vaughan Public Libraries.

The City of Vaughan implemented the PCard Program to transition from manual-intensive processes to a more efficient and cost-effective method of purchasing low value goods

and services, reducing overall transaction time while improving transparency, visibility, monitoring and reporting.

During Q1, departments processed 2,581 transactions worth \$1.8 million, primarily for low value operating supplies, advertising, professional memberships, training, seminars, and existing corporate contracts where the PCard can be utilized for payment.

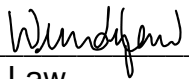
Q1 2022 PCard spend was \$0.6 million higher than the same reporting period last year as a result of transitioning to the most appropriate payment methods.

As a result, the City continues to realize administrative and transactional savings through the significant reduction of cheque payments to multiple vendors, and to employees for reimbursement of out-of-pocket costs.


Conclusion

This report has been prepared in compliance with the Procurement Policy approved by Council on April 1, 2017.

For more information contact, Mary DiGiovanni, Manager, Business Support and Supplier Relationship, ext. 8020.



Wendy Law,
Deputy City Manager,
Legal and Administrative Services & City Solicitor



Mary DiGiovanni,
Acting Director, Procurement
Services

Attachments

Attachment 1: Procurement Activity – Procurements by Type, and by Delegated Authority, Awarded During the Q1

Attachment 2: Procurement Activity – Procurements by Portfolio/Office, and by Procurement Type, Awarded During the Q1

Attachment 3: Procurement Activity – Competitive and Non-Competitive Procurement Activity for the Q1

Attachment 1: Procurement Activity – Procurements by Type, and by Delegated Authority, Awarded During Q1

Procurement Type		Council	City Manager	Deputy City Manager	Director	Manager	Total
Request for Tender	\$	0	104,381,639	2,425,206	135,000	58,900	107,000,745
	#	0	9	7	2	1	19
Request for Proposal	\$	0	994,320	920,662	906,215	6,754	2,827,952
	#	0	1	3	6	1	11
Request for Quote	\$	0	0	0	375,026	69,294	444,319
	#	0	0	0	8	6	14
Request for Pre-Qualification	\$	0	0	0	0	0	0
	#	0	0	1	4	1	6
Quick Quote	\$	0	0	0	129,180	165,074	294,254
	#	0	0	0	3	12	15
York Purchasing Co-op	\$	0	19,900,000	149,955	99,917	0	20,149,872
	#	0	1	1	1	0	3
Competitive	\$	0	125,275,959	3,495,823	1,645,338	300,022	130,717,142
	#	0	11	12	24	21	68
Sole Source	\$	0	395,000	30,000	40,195	0	465,195
	#	0	5	1	3	0	9
Single Source	\$	128,400	417,552	247,844	332,357	0	1,126,153
	#	1	5	6	23	0	35
Emergency Purchase	\$	0	640,275	332,375	22,973	22,140	1,017,762
	#	0	5	7	1	3	16
Non-Competitive	\$	128,400	1,452,827	610,219	395,525	22,140	2,609,111
	#	1	15	14	27	3	60
Grand Total	\$	128,400	126,728,786	4,106,043	2,040,862	322,161	133,326,253
	#	1	26	26	51	24	128

There were no contract awards during this quarter that required approval from the VPL Board.

Attachment 2: Procurement Activity – Procurements by Portfolio/Office, and by Procurement Type, Awarded During Q1

Portfolio/Office		Request for Tender	Request for Proposal	Request for Quote	Request for Pre-Qualification	Quick Quote	York Purchasing Co-op	Sole Source	Single Source	Emergency Purchases	Grand Total
City Manager	\$	107,868	-	12,100	-	-	-	17,200	138,060	34,464	309,692
	#	1	-	1	-	-	-	1	2	1	6
Council	\$	-	-	-	-	7,650	-	-	-	-	7,650
	#	-	-	-	-	1	-	-	-	-	1
Administrative Services & City Solicitor	\$	-	354,897	70,000	-	-	-	-	22,634	-	447,531
	#	-	1	1	-	-	-	-	1	-	3
Community Services Portfolio	\$	-	140,785	93,782	-	-	-	-	92,752	-	327,319
	#	-	2	3	-	-	-	-	1	-	6
Corporate Services, City Treasurer & CFO	\$	366,519	29,720	131,745	-	100,800	-	18,200	83,200	-	730,184
	#	1	1	5	-	2	-	1	3	-	13
Infrastructure Development	#	103,371,862	2,000,030	52,724	0	53,338	-	-	295,544	5,873	105,779,371
	\$	12	5	1	5	6	-	-	4	1	34
Planning & Growth Management Portfolio	#	1,412,610	-	-	0	-	-	-	65,088	-	1,477,698
	\$	1	-	-	1	-	-	-	2	-	4
Public Works Portfolio	\$	1,720,220	302,520	83,969	-	132,466	20,149,872	429,795	428,875	977,426	24,225,142
	#	3	2	3	-	6	3	7	22	14	60
Vaughan Public Libraries	\$	21,666	-	-	-	-	-	-	-	-	21,666
	#	1	-	-	-	-	-	-	-	-	1
Grand Total	\$	107,000,745	2,827,952	444,319	0	294,254	20,149,872	465,195	1,126,153	1,017,762	133,326,253
	#	19	11	14	6	15	3	9	35	16	128

Attachment 3: Procurement Activity – Competitive and Non-Competitive Procurement Activity for Q1

Bid-Type	Q1 2022	
	No. of Awards	Value (\$)
Competitive		
Tenders	19	107,000,745
RFPs	11	2,827,952
Quotes	14	444,319
RFPQ	6	0
QQ	15	294,254
York Purchasing Co-op	3	20,149,872
Sub-Total Competitive	68	130,717,142
Non-Competitive		
Sole-Source	9	465,195
Single-Source	35	1,126,153
Emergency-Procurement	16	1,017,762
Sub-Total Non-Competitive	60	2,609,111
Total	128	133,326,253