

COUNCIL – MARCH 21, 2023**STAFF COMMUNICATIONS**

Distributed March 17, 2023**Subject**

SC1. Memorandum from the Deputy City Manager
Legal and Administrative Services & City
Solicitor and the Director of Procurement
Services, dated March 21, 2023.

Procurement Activity – 2022 Annual
Report

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Please note there may be further Communications.

SC 1
**Staff Communication
Council – March 21, 2023**
DATE: March 21st, 2023

TO: Mayor and Members of Council

FROM: Wendy Law, Deputy City Manager Legal and Administrative Services &
City Solicitor
Pooja Nagra, Director of Procurement Services

**RE: STAFF COMMUNICATION – COUNCIL – March 21, 2023
Procurement Activity – 2022 Annual Report**

1. Purpose

In accordance with the City's Corporate Procurement Policy, the Director of Procurement Services shall prepare a summary information report on all procurement awards to Council. This report provides a summary of the Corporation's Procurement Activities in 2022.

2. Analysis

Procurement Contract Awards

The table below illustrates the year-over-year comparison of the total number of procurements and their dollar value per category. The procurement team worked closely with the various City departments on competitive bid awards to establish contracts with reputable, qualified, and competitively sourced suppliers.

Procurement by Category				
	2021		2022	
Category	No. of Awards	Award Value (\$)	No. of Awards	Award Value (\$)
Construction	98	88,979,238	69	177,415,304**
Goods & Services	378	46,517,386	510	71,565,335
IT	32	5,522,454	24	1,762,308
Consulting Services*	-	-	11	1,136,112
Grand Totals	508	\$141,019,078	614	\$251,879,059

Notes: *Consulting services category is a new category introduced in 2022. Previously such contracts were combined under the Goods & Services category.

**In 2022, there was a large construction project (Carrville Community Centre) which accounts for the significant increase in construction-related awards.

- In 2022, Procurement Services processed 614 competitive bids valued at approximately \$251.9 million.
- The total number of contracts awarded in 2022 is 20.9% higher than the number of contracts awarded in 2021.
- Procurement Services and city departments continue to improve competitive procurement awards, while reducing the non-competitive spend.

Low Dollar Purchase Orders or “LDMs” (purchases up to \$5,000 through a non-competitive process) were introduced in 2017 to accommodate urgent departmental operational requirements. Year Over Year, there has been a reduction of spend usage through LDMs due to an increase in competitive procurements through corporate contracts such as Vendor of Record (“VOR”) arrangements, Multi-Year Contracts, Blanket Orders, and partnering with organizations such as York Purchasing Co-operative.

Collaboration

Procurement Services continuously engages in collaborative procurement practices by streamlining buying options to maximize value for money and reducing procurement cycle times.

- Five (5) contracts awarded in partnership with Collaborative Procurement Organizations in 2022, such as York Procurement Cooperative.
- These Collaborative Procurement Contracts enable the City to save time and obtain better pricing due to volume purchases with other public sector entities.

Purchasing Card Program (PCard)

The PCard Program provides an efficient and cost-effective method of purchasing low value goods and services. The benefits of the Program include:

- reduction of overall transaction time,
- providing City employees with the flexibility to conduct day-to-day business for which there are not any existing corporate contracts available today,
- improving transparency, visibility, monitoring and reporting,
- a revenue sharing opportunity where the City is eligible for a rebate.

As of December 31, 2022, there were 300 approved PCard holders throughout the City of Vaughan and Vaughan Public Libraries.

During 2022, departments processed 13,413 transactions worth \$8.4 million, primarily for low value operating supplies, advertising, professional memberships, training, seminars, and existing corporate contracts where the PCard can be utilized for payment.

In 2022, PCard spend was \$3.2 million higher than the same reporting period in 2021. This increase is due to the increase in the number of competitive corporate contracts established and providing staff access to pay for low value goods and services using the PCard rather than cheque requisitions as a payment mechanism.

Lastly, the PCard program provides the City a rebate based on minimum performance requirements, such as, on-time monthly payments, meeting both a minimum annual transaction amount and minimum average transaction value. For the twelve-month period ending September 30, 2022, the City earned a \$86,535 rebate compared to 2021 which was at \$55,789 (an increase of 55%).

Procurement Award – Reports

Details of all contract awards for procurement activities undertaken in 2022 are available on the Procurement Services page for 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.



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



Pooja Nagra,
Director, Procurement
Services

Attachments

Attachment 1: Procurement Activity – Procurements by Portfolio/Office, and by Procurement Type, Awarded During 2022

Attachment 2: Procurement Activity – Summary of Competitive and Non-Competitive Procurement Activity for 2022

Attachment 1: Procurement Activity – Procurements by Portfolio/Office, and by Procurement Type, Awarded During 2022

Portfolio/Office		Request for Tender	Request for Proposal	Request for Quote	VOR Quick Quote	York Purchasing Co-op	Sole Source	Single Source	Emergency Purchases	Request for Pre-Qualification	Request for Information	Grand Total
City Manager	\$	361,113	1,269,991	115,021	16,182	-	306,200	546,886	34,464	-	-	2,649,857
	#	2	3	3	2	-	6	15	1	-	-	32
Community Services	\$	78,103	1,200,716	161,439	6,639	-	-	311,343	-	-	N/A	1,758,239
	#	1	6	6	1	-	-	10	-	-	1	25
Corporate Services	\$	1,148,137	258,720	445,065	151,042	-	48,200	660,150	-	N/A	N/A	2,711,314
	#	6	3	13	6	-	2	14	-	1	1	46
Council	\$	-	-	-	7,650	-	-	-	-	-	-	7,650
	#	-	-	-	1	-	-	-	-	-	-	1
Infrastructure Development	\$	164,872,472	11,927,243	617,343	2,930,271	3,230,874	6,500	905,097	50,553	N/A	N/A	184,540,352
	#	37	31	14	31	2	1	18	3	6	1	144
Internal Audit	#	-	-	-	-	-	-	59,000	-	-	-	59,000
	\$	-	-	-	-	-	-	1	-	-	-	1
Legal and Administrative Services	#	-	354,897	70,000	75,000	-	-	306,048	-	N/A	-	805,945
	\$	-	1	1	1	-	-	9	-	1	-	13
Planning & Growth Management	\$	1,412,610	159,200	68,748	-	-	17,550	397,723	-	N/A	-	2,055,831
	#	1	1	1	-	-	1	5	-	2	-	11
Public Works	\$	18,066,484	5,579,798	802,692	2,618,264	20,149,872	7,133,020	1,571,295	1,162,420	N/A	-	57,083,846
	#	28	16	21	158	3	48	37	22	1	-	334
Vaughan Public Libraries	\$	21,666	87,457	40,088	10,314	-	-	47,500	-	-	-	207,025
	#	1	1	2	1	-	-	2	-	-	-	7
Grand Total	\$	185,960,585	20,838,023	2,320,396	5,815,362	23,380,746	7,511,470	4,805,042	1,247,437	N/A	N/A	251,879,059
	#	76	62	61	201	5	58	111	26	11	3	614

Attachment 2: Procurement Activity – Summary of Competitive and Non-Competitive Procurement Activity for 2022

Bid-Type	2021		2022	
	No. of Procurements	Value (\$)	No. of Procurements	Value (\$)
Competitive				
Tenders	71	92,699,892	76	185,960,586
Request for Proposals	54	36,305,266	62	20,838,023
Request for Quotes	87	3,522,032	61	2,320,396
Request for Pre-Qualifications	28	0	11	0
Quick Quotes	81	1,157,733	201	5,815,362
Request for Information	8	0	3	0
York Purchasing Co-op	0	0	5	23,380,746
Sub-Total Competitive	329	133,684,924	419	238,315,112
Non-Competitive				
Sole-Source	40	1,300,193	47	7,451,848
Single-Source	119	4,718,904	111	4,805,041
Emergency-Procurement	20	1,315,057	37	1,307,059
Sub-Total Non-Competitive	179	7,334,154	195	13,563,948
Total	508	141,019,078	614	251,879,059