

COMMITTEE OF THE WHOLE (2) – SEPTEMBER 22, 2020

STAFF COMMUNICATIONS

Distributed September 17, 2020

SC1 Memorandum from the Deputy City Manager, Corporate Services, City Treasurer and CFO and the Director of Procurement Services dated September 17, 2020.

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STAFF COMMUNICATION

DATE: Thursday, September 17, 2020

TO: Mayor and Members of Council

FROM: Michael Coroneos, Deputy City Manager Corporate Services,
City Treasurer and Chief Financial Officer
Asad Chughtai, Director of Procurement Services

RE: **STAFF COMMUNICATION** – September 22, 2020 / CW(2)
Procurement Activity Report, Quarter 2 - 2020

1. Purpose

The purpose of this Staff Communication is to provide Mayor and Council information regarding Procurement Activities undertaken in Q2 2020.

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

117 procurement contracts worth \$40.1 million were processed in Q2

Procurement Services processed 76 competitive bids valued at \$38.3 million and 41 non-competitive bids valued at \$1.8 million. The non-competitive bids included a \$0.8M award for the Design and Contract Administration of the City Hall West Parking Lot Improvements.

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

Departments processed \$1.1 million in Low Dollar Module (LDM) Purchase Orders

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 the second quarter, there were 1,194 LDM purchase orders issued, totaling \$1.1 million.

Q2 2020 LDM purchases represent a decrease of \$686k over the same quarter last year, or a reduction of 38 per cent. A portion of this reduction was as a result of transitioning LDM purchases to competitive procurements through corporate contracts or Vendor of Record arrangements.

Procurement Services staff will continue to review and monitor these transactions with client departments to determine if alternative procurement methods could be considered.

Departments processed \$1.3 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 June 30, 2020, there were 268 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 the second quarter, departments processed 1,814 transactions worth \$1.3 million. Analysis shows that 67 percent of transactions were primarily for low value operating supplies, advertising, professional memberships, training, seminars, while 33 percent of the transactions account for existing corporate contracts where the PCard can be utilized for payment.

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.



Michael Coroneos,
Deputy City Manager,
Corporate Services & Chief Financial Officer



Asad Chughtai,
Director Procurement Services

Attachments

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

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

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

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

Procurement Type	City Manager		Deputy City Manager		Director		Manager		Total
	\$								
Request for Tender	#	27,146,816	2,269,000	370,833	19,350	29,805,999			
	#	7	8	5	1	21			
Request for Proposal	\$	5,429,650	1,395,901	583,296	0	7,408,847			
	#	5	5	6	0	16			
Request for Quote	\$	0	212,212	543,428	85,693	841,332			
	#	0	2	10	7	19			
Request for Pre-Qualification	\$	0	0	0	0	0			
	#	0	1	0	0	1			
Quick Quote	\$	0	12,000	33,300	160,570	205,870			
	#	0	1	1	16	18			
Request for Information	\$	0	0	0	0	0			
	#	0	0	0	1	1			
Competitive	\$	32,576,466	3,889,113	1,530,857	265,613	38,262,048			
	#	12	17	22	25	76			
Sole Source	\$	776,200	48,125	19,105	0	843,430			
	#	1	1	3	0	5			
Single Source	\$	301,714	331,132	285,427	0	918,274			
	#	4	7	21	0	32			
Emergency Purchase	\$	0	57,900	10,640	14,192	82,732			
	#	0	1	1	2	4			
Non-Competitive	\$	1,077,914	437,157	315,172	14,192	1,844,436			
	#	5	9	25	2	41			
Grand Total	\$	33,654,380	4,326,270	1,846,029	279,805	40,106,484			
	#	17	26	47	27	117			

There were no contract awards during Q2 that required approval from Council or the VPL Board.

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

Portfolio/Office	Request for Tender	Request for Proposal	Request For Quote	Request for Pre-Qualification	Quick Quote	Request For Information	Sole Source	Single Source	Emergency Purchases	Grand Total
City Manager	\$ 0	0	0	0	0	0	0	44,497	0	44,497
	# 0	0	0	0	0	0	0	2	0	2
Administrative Services & City Solicitor	\$ 0	536,003	0	0	0	0	0	60,000	0	596,003
	# 0	3	0	0	0	0	0	1	0	4
Community Services Portfolio	\$ 1,429,284	0	156,533	0	18,600	0	0	269,797	66,618	1,940,832
	# 2	0	4	0	1	1	0	5	2	15
Corporate Services, City Treasurer & CFO	\$ 607,834	34,800	203,802	0	33,300	0	48,125	88,415	0	1,016,275
	# 2	1	3	0	1	0	1	4	0	12
Infrastructure Development	\$ 13,221,940	5,925,569	158,083	0	135,470	0	782,950	272,523	5,474	20,502,009
	# 9	9	6	1	13	0	2	11	1	52
Planning & Growth Management Portfolio	\$ 417,100	912,475	2,200	0	11,810	0	0	79,714	0	1,423,299
	# 1	3	1	0	2	0	0	2	0	9
Public Works Portfolio	\$ 14,129,841	0	314,420	0	0	0	12,355	96,933	10,640	14,564,189
	# 7	0	4	0	0	0	2	6	1	20
Vaughan Public Libraries	\$ 0	0	6,295	0	6,690	0	0	6,394	0	19,379
	# 0	0	1	0	1	0	0	1	0	3
Grand Total	\$ 29,805,999	7,408,847	841,332	0	205,870	0	843,430	918,274	82,732	40,106,484
	# 21	16	19	1	18	1	5	32	4	117

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

Bid Type	Q2 2020	
	No. of Awards	Value (\$)
Competitive		
Tenders	21	29,805,999
RFPs	16	7,408,847
Quotes	19	841,332
RFPQ (VOR)	1	0
QQ	18	205,870
RFI	1	0
Sub-Total Competitive	76	38,262,048
Non-Competitive		
Sole Source	5	843,430
Single Source	32	918,274
Emergency Procurement	4	82,732
Sub-Total Non-Competitive	41	1,844,436
Total	117	40,106,484