
For Information

REPORT TITLE: Procurement Activity Report – T1 January 1 to April 30, 2020

FROM: Stephen Van Ofwegen, Commissioner of Finance and Chief Financial Officer

OBJECTIVE

To provide the details of procurement activity and as required by Procurement By-law 30-2018 for the first triannual period ending April 30, 2020 and to report on key highlights.

REPORT HIGHLIGHTS

- The Procurement By-law delegates authority to staff to manage procurement processes and to report these activities to Regional Council on a regular basis.
 - The COVID-19 pandemic has caused a significant increase in the number of emergency procurements. Regional staff have implemented strategies and new approaches for sourcing essential products and critical services, including updates to the Emergency Procurement Procedure to efficiently manage the increased emergency purchase demand.
 - During the first triannual period of 2020, the Region of Peel awarded 54 new contracts greater than \$100,000 with a total value of \$178,209,904.92.
 - This report provides a summary of the Region's procurement and disposal activity for the first triannual period of 2020.
 - Key highlights for the first triannual period of 2020 are provided.
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DISCUSSION

1. Background

On May 10, 2018 Council enacted a new Procurement By-Law that is modernized and reflective of current public procurement trends while continuing to embody the principles of integrity, fairness, openness and transparency. Under the By-law, staff have been delegated authority to make awards of all contracts arising from competitive procurement processes, provided that the award is within budget and is being made to the best value bid. "Best value bid" is defined as the bid representing the optimal balance of technical merit and cost, determined in accordance with pre-set evaluation criteria disclosed in bid solicitation documents. Council approval is required where staff recommend that an award be made to a bidder that has not submitted the best value bid. Council approval is also required for any directly negotiated contracts that exceed \$100,000.

The Procurement By-law requires that staff report to Regional Council regularly on procurement activity. The purpose of this report is to provide Regional Council with a summary of the procurement activity for the first triannual period (T1) of 2020, including awards made under delegated authority. Procurement activity is reported under the

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following categories (definitions in connection with the terms referenced below are contained in Appendix I of this report):

- Contract Awards
- Disposal of surplus goods and equipment
- Emergency purchases (including COVID-19)
- Awards during Regional Council recesses
- Non-compliance with the By-law
- Unforeseen circumstances
- Final contract payments related to the original purchase contract
- Vendor of Record purchases

This report also outlines some of the key highlights attributable to the Region’s procurement functions during the first triannual period of 2020, including COVID-19 related activities.

2. Key Highlights for T1 2020

On May 14, 2020, Regional staff provided Council with an overview and update on the procurement of goods and/or services related to COVID-19 and the need for procurement flexibility throughout the duration of an extended period of emergency. With local and global supply chains severely impacted and increased demand to provide essential goods and/or services, the number of emergency procurements have significantly increased. Emergency purchases related to COVID-19 for this period reached \$4,773,790. Further details of awards are outlined in Appendix II - Awarded Contracts.

A prolonged state of emergency, such as COVID-19, has demonstrated the need for both immediate and prolonged emergency procurement support. The Procurement response to COVID-19, including the update to the Emergency Procurement Procedure, support the need for the Region to adapt to the many phases of a prolonged state of emergency by providing a flexible process designed to support emergency relief. The Region’s Procurement approach is balanced, practical and fiscally responsible and offers a moderate level of risk mitigation.

Outlined below are some of the key metrics and outcomes arising from some of the continuous improvement and modernization efforts undertaken by the Region’s Procurement Division. These metrics demonstrate alignment to the service outcome “The Region of Peel is financially sustainable (to best serve the residents and businesses in Peel).”

Initiatives and Purpose	Results from T1 2020
<p>e-Bidding: The e-Bidding system, implemented in 2018 has enabled increased competition by creating greater visibility and easier access for vendors to the Region’s bidding opportunities. Six new vendors who had previously not participated in the Region’s bidding opportunities were awarded contracts in T1.</p>	<p>Combined cost avoidance of \$1,366,842.94, as compared against the average bid price on these contracts.</p>
<p>Vendor Performance Management Program: The program provides a uniform and transparent approach to monitor and assess vendor performance for the purposes of determining vendor eligibility to bid future contracts and to inform future contract awards. The intended outcome of</p>	<p>91% received an overall performance rating of “satisfactory” or better.</p>

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the program is to enhance value for money by increasing the performance of vendors.	
Competitive Procurement Value: This is an effective measure indicating value for money through the Region’s competitive process and is calculated by measuring total savings accrued through low bid tender awards, as compared to the average bid price submitted in competitive tender processes. It is shown as a percentage of the total dollar value of all tender awards.	Overall competitive procurement value (savings) was 8% or \$5.3 million

3. Procurement Activity and Disposal Summary – T1 2020

The table below provides a summary of the procurement and disposal activity for the first triannual period of 2020 (January 1- April 30). The Procurement Activity section of the table includes information on all awarded contracts in excess of \$100,000; emergency purchases; non-compliant purchases; vendor of record purchases; and awards made during periods of Regional Council recess. It also includes amendments made to existing contracts that were a result of unforeseen circumstances or were required for final payment purposes, as authorized under the Procurement Bylaw. The Procurement Activity summary excludes contract renewal activity. A detailed listing of all procurement activity is referenced in Appendix II to this report.

Under Resolution 2015-71, Council approved the Region’s Digital Strategy and granted staff the authority to directly negotiate with Oracle Canada ULC, OpenText Corporation, Salesforce.com Canada Corporation and Salesforce Application Partners in order to establish fundamental platforms for the technology environment allowing the Region of Peel to rationalize its application and data footprints. In addition, authority was granted to the Commissioner of Digital and Information Services to directly negotiate with the following Salesforce business partners, BasicGov Systems Inc, Vlocity Inc, ServiceMax Inc, Informatica LLC. In accordance with Council’s direction, a summary of the procurement activities is included in this report.

The Disposal activity section summarizes the proceeds or trade-in values received from the disposal of Region of Peel surplus assets. A detailed listing of the disposal activity is referenced in Appendix III to this report.

Procurement Activity	Value
Competitive contracts approved under Delegated Authority	\$125,175,106.92
Non-competitive contracts approved under Delegated Authority	\$240,384.00
Non-competitive contracts approved by Council	\$52,794,414.00
Contracts awarded during Council recess	No Activity
Total New Contracts Greater Than \$100,000	\$178,209,904.92
Emergency purchases	\$2,052,800.00

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Emergency purchases related to COVID-19	\$4,773,790.64
Established Vendor of Record purchases	\$760,247.66
Awarded Contracts under Council Resolution 2015-71 (Digital Strategy)	\$2,616,502.15
Final Contract Payments	No Activity
Unforeseen circumstances	No Activity
Non-Compliant Purchases	No Activity
Total Activity	\$188,413,245.37
Disposal Activity	
Total disposal proceeds received	\$157,981.62

In addition, a total of \$2,973,212.10 in contracts valued at \$100,000 and under was procured during the reported period (includes above noted emergency purchases that are equal to or less than \$100,000).

CONCLUSION

The Procurement By-Law builds trust and confidence in the stewardship of public funds with an emphasis on awarding contracts based on best value. Continuous improvement and modernization efforts undertaken in connection with the Region's Procurement program build on these principles to continually measure and assess the effectiveness of the Region's procurement program and enhance value for money. In addition, procurements and associated costs related to COVID-19 are continually monitored and tracked for eligibility in emergency funding.

This report is submitted to summarize the Region's procurement and disposal activity for the first triannual period ending April 30, 2020 in accordance with the reporting requirements set out in the Procurement By-law, and to highlight key metrics observed during this period arising from the continuous improvement and modernization initiatives undertaken by the Region's Procurement Division.

APPENDICES

Appendix I – Definitions
Appendix II – Awarded Contracts
Appendix III – Disposal

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For further information regarding this report, please contact Natasha Rajani, Director Procurement, extension 4302, natasha.rajani@peelregion.ca.

Reviewed and/or approved in workflow by:

Department Commissioner and Division Director.

Final approval is by the Chief Administrative Officer.

A handwritten signature in black ink that reads "Nancy Polsinelli". The signature is written in a cursive style with a large initial 'N' and a distinct 'P'.

N. Polsinelli, Interim Chief Administrative Officer