
For Information

REPORT TITLE: **Procurement Activity Report – T2 May 1 to August 31, 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 second triannual period ending August 31, 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.
 - Stabilizing demand for goods related to the pandemic has now enabled staff to utilize traditional, competitive procurement methods to establish regular supply chain lines to meet the ongoing requirements for the pandemic.
 - During the second triannual period of 2020, the Region of Peel awarded 57 new contracts greater than \$100,000 with a total value of \$95,153,696.99.
 - This report provides a summary of the Region's procurement and disposal activity for the second triannual period of 2020.
 - Key highlights for the second triannual period of 2020 are provided.
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DISCUSSION

1. Background

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 second triannual period (T2) of 2020, including awards made under delegated authority. Procurement activity is reported under the 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.

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

2. Key Highlights for T2 2020

On May 14, 2020, Regional staff provided Council with an information report from the Commissioner of Finance and Chief Financial Officer, titled "Procurement Response During COVID-19". The report detailed new flexible strategies implemented to source essential products and critical services related to COVID-19 within strict time constraints during the period of emergency. These strategies were essential in the early days of the declared emergency as the increased demand for the limited supply of goods required for personal protection, infection prevention and control from local and global supply chains created significant competition with correspondingly escalated costs. Emergency purchases related to COVID-19 for this period reached \$8,184,305.78. Details of a number of these emergency purchases have been brought forward to Council previously as part of the updates under COVID-19 Related Matters. Further details of awards are outlined in Appendix II - Awarded Contracts.

Stabilizing demand for goods related to the pandemic has now enabled staff to utilize traditional, competitive procurement methods to establish regular supply chain lines to meet the ongoing requirements. These methods ensure that the Region is able to achieve the best value for the acquired goods and services. The Region's Procurement approach is balanced, practical, fiscally responsible and reduces risk for future supply chain disruptions.

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 T2 2020
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. 10 new vendors who had previously not participated in the Region's bidding opportunities were awarded contracts in T2.	Combined cost avoidance of \$4.5 million, as compared against the average bid price on these contracts.
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 the program is to enhance value for money by increasing the performance of vendors.	95% received an overall performance rating of "satisfactory" or better.
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 36% or \$20.6 million

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3. Procurement Activity and Disposal Summary – T2 2020

The table below provides a summary of the procurement and disposal activity for the second triannual period of 2020 (May 1- August 31). 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	\$94,728,444.49
Non-competitive contracts approved by Council	\$425,252.50
Contracts awarded during Council recess	No Activity
Total New Contracts Greater Than \$100,000	\$95,153,696.99
Emergency purchases	\$128,210.16
Emergency purchases related to COVID-19	\$8,184,305.78
Established Vendor of Record purchases	\$1,876,925.06
Awarded contracts under Council Resolution 2015-71 (Digital Strategy)	\$1,030,955.63
Final contract payments	No Activity
Unforeseen circumstances	No Activity
Non-compliant purchases	No Activity

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Total Activity		\$106,374,093.62
Disposal Activity		
Total disposal proceeds received		\$60,527.45
Total trade-in values received		\$114,129.69

In addition, a total of 75 contracts with a cumulative value of \$3,118,332.36 each valued at \$100,000 and under were 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 second triannual period ending August 31, 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

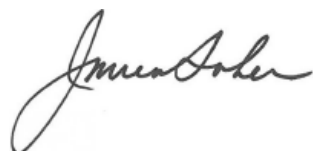
Appendix I - Definitions
Appendix II - Awarded Contracts
Appendix III - Disposal

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.



J. Baker, Chief Administrative Officer