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**TO:** GENERAL COMMITTEE

**SUBJECT:** 2017 ANNUAL PROCUREMENT ACTIVITY REPORT

**WARD:** ALL

**PREPARED BY AND KEY CONTACT:** J. MUNSHAW, PURCHASING MANAGER AND CPO, EXT. 4456

**SUBMITTED BY:** C. MILLAR, DIRECTOR OF FINANCE AND TREASURER

**GENERAL MANAGER APPROVAL:** D. MCALPINE, GENERAL MANAGER OF COMMUNITY AND CORPORATE SERVICES

**CHIEF ADMINISTRATIVE OFFICER APPROVAL:** M. PROWSE, CHIEF ADMINISTRATIVE OFFICER

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#### **RECOMMENDED MOTION**

1. That Staff Report FIN012-18 representing the 2017 Annual Procurement Activity Report, be received for information.
2. That the conversion of a two year temporary Purchasing Agent full-time equivalent position into a full-time equivalent position, be approved.

#### **PURPOSE & BACKGROUND**

##### Report Overview

3. The 2017 Annual Purchasing Activity Report reflects the procurement activity for the 2017 budget year, and the report is completed in accordance with the Procurement By-law that was in place during the purchasing activity period, being Procurement By-law 2016-035.
4. The Procurement By-law requires the Chief Procurement Officer to provide the following information:
  - a) An annual information report with the circumstances and details of any emergency purchases, with a procurement value equal to or greater than \$10,000 (see Appendix "A").
  - b) An annual information report with the circumstances and details of any non-standard procurements, with a procurement value equal to or greater than \$10,000 (see Appendix "B").

##### Purchasing Agent FTE

5. In the 2015 Business Plan and Budget, Council approved a two year temporary Purchasing Agent position. The purpose of the Agent, as recommended through the 2014/2015 procurement service review, was to help establish standard agreements for low value, repetitive requirements. This position is set to expire at the end of this year, and while the intention of the temporary position was to focus on the creation of standing agreements, the position was also needed to support the City's annual procurement plan for growth, in both operating and capital needs.

## ANALYSIS

6. The Procurement Activity Reports are provided in Appendices 'A' and 'B' as follows:

- a) Appendix 'A' reports the circumstances and details of any emergency purchases with a procurement value equal to or greater than \$10,000; and,
- b) Appendix 'B' reports the circumstances and details of any non-standard purchases with a procurement value equal to, or greater than \$10,000.

Of note: A few high dollar value non-standard procurements were required this year to address urgent environmental, safety, and technology related issues. This may continue over the next few years as the City of Barrie is challenged with significant growth projects, as well as ongoing operations.

- Water Operations: Membrane Filter and Monitoring (\$2.5M)
- Waste Water: Various Pump, Mixer and UV repairs (4@ \$500K)
- Centre for Continuous Improvement: ERP (\$2.6M)
- Engineering: Centennial Park Additions (\$741k)

### Procurement Service Modernization

7. To align and move Barrie's mission, vision and strategic priorities forward, including significant growth in the near future, Purchasing is undergoing the next stage in its transformation. This includes the following:

Activity Description	Status as of December 31, 2017	Additional Comments
<b>2017</b> Purchasing program including P-Card audit	Complete	Audit complete, small/low risk gaps identified. Policy and procedure review underway to close gaps.
<b>Tools:</b> Implementation of automated, controlled purchase requisition, orders and payments using SAP and implementing e-Tendering to improve source to contract activities	In progress	e-Tender tool selected and approved; project plan under development; implementation Phase 1 successfully completed May1, 2018  SAP –testing and processes under development; rollout per SAP project timelines
<b>Processes:</b> Timely and compliant By-Law and other new regulatory changes (CFTA/CETA*) using centralized purchasing templates and processes	In progress	By-Law and procedure review and update underway (e-Tender, CFTA & CETA compliance)
<b>Resources &amp; Planning:</b> Proactive, strategic procurement planning; ensure Purchasing staff have the right skills by providing training and targeted recruitment.	In progress	2018 annual purchasing plan developed with in-year refreshes; HR engaged for job specification review and creation of go-forward staffing plan.
<b>P-Card</b> policy and procedure update to maximize effectiveness of the program, and ensure effective controls	In Progress	Vendor engaged; policy and procedure review in progress.

\* CFTA=Canadian Free Trade Agreement; CETA=Comprehensive Economic and Trade Agreement (Canada/Europe)

8. The Canadian Free Trade Agreement (CFTA) is an intergovernmental trade agreement signed by Canadian Ministers that entered into force on July 1, 2017. The Canada-European Union (EU) Comprehensive Economic and Trade Agreement (CETA) is a trade agreement that upholds and promotes the values that Canada shares with the EU. This agreement was entered into force on September 21, 2017. Both CETA and CFTA impose a number of procedural, administrative, and technical obligations for procuring entities, for example:
- a) CETA and CFTA require procuring entities to publish notices of intended procurement, containing prescribed information to a free-of-charge, and single point of access. Procuring authorities are also encouraged to publish a notice of future procurement plans on an annual basis.
  - b) CETA also lists a number of requirements for tender documentation, identifies factors relevant for setting deadlines within the procurement process, and requires that a notice of award be made public within 72 days of the award of the contract.

#### Purchasing Agent FTE

9. The conversion of a temporary Purchasing Agent position into a full-time FTE is required to support the continuous growth in number and complexity of capital projects. It is also required to address challenges in attracting staff interested in temporary positions. The City's 2018 approved Capital spending plan totals \$312.9 million, with the five year forecast totaling \$1.0 billion. Procurement resources are integral to the delivery of this Capital Plan.
10. After the successful start of the standing agreement project, which resulted in approximately \$166K savings, this temporary position was then operationalized to support increased workloads related to the City's capital and operating needs. The number of operating and capital procurement initiatives has increased from 175 in 2015 to 309 in 2018.
11. The costs of converting this position into a full time position are included within the Finance Department's existing base operating budget. During the 2019 Business Planning process, Finance staff will be looking at the funding model of procurement staff, with the objective of potentially recovering operating costs directly from specific capital projects.

#### ENVIRONMENTAL MATTERS

12. There are no environmental matters related to the recommendations.

#### ALTERNATIVES

13. The following alternative is available for consideration by General Committee:

##### Alternative #1

General Committee could decline the request to convert the temporary Purchasing Agent into a full time position.

This alternative is not recommended as the current staff complement of Purchasing Agents is not sufficient to support the City's current capital and operating procurement needs.

#### FINANCIAL

14. There are no financial implications for the Corporation resulting from the proposed recommendations.

**APPENDIX "A"**

**2017 Emergency Purchases over \$10,000**

Certificate Number	PO#	Department/Branch	Description	Vendor Name	PO Amount (including HST)
2017-E001	81142	Environmental	Mattress Recycling	Matt Canada/Craler International	\$ 30,736.00
2017-E002	81143	Environmental	Mattress Recycling	Craler International Inc	\$ 44,070.00
2017-E002	81716	Environmental	Hazardous Waste Clean-Up at Operations	Revolution Environmental Solutions	\$ 14,992.67
2017-E003	82274	Environmental	Watermain Repair Services	UFC Contracting	\$ 16,394.16
2017-E004	82403	Environmental	Phase II ESA Bradford & John St Properties Barrie	Golder Associates	\$ 38,985.00
2017-E005	84744	Environmental	Supply & Install PVC Tank Liners	Kentain Products Ltd	\$ 48,669.10
2017-E006	77209	Facilities	Emergency Snow Clearing	Positano Paving	\$ 23,240.31
2017-E007	79839	RPF	WK05 Berm & Spillway Repair	Sierra Excavating	\$ 73,902.00
2017-E008	76638	WWTF	Filter Media Replacement	Clean Methane Systems LLC	\$ 31,333.77
2017-E009	77766	Facilities	Mobile Generator Rental*	Power Station Ltd	\$ 11,930.54
2017-E010	77774	Facilities	Roof Top Generator*	Power Station Ltd	\$ 63,506.00
2017-E011	78945	WWTF	Generator Fuel System Repairs - TSSA Deficiencies*	Power Station Ltd	\$ 395,500.00
2017-E012	79483	Facilities	Emergency Generator Upgrades*	Comco Canada Ltd	\$ 353,596.21
2017-E014	85160	Environmental	Emergency Spill	Comco Canada Ltd	\$ 26,648.89

2017 Emergency Procurement Total \$ 1,173,504.65

\* **Note:** the increase from 2016 total \$514,154.50 is related to emergency generator repairs and upgrades in 2017 totaling \$824, 532.75.

**APPENDIX "B"**  
**2017 Non-standard Procurements over \$10,000**

Contract Term	Department/ Branch	Description	Vendor Name	Estimated Award Amount	2017	2018	2019	2020	2021	2022-2026
5 years	Water Operations	Integration/Software Programming Services for e.RIS Software Platform	Eramosa Engineering Inc.	\$200,000.00	\$40,000.00	\$40,000.00	\$40,000.00	\$40,000.00	\$40,000.00	
5 years	Wastewater Operations	Replacement of Pumps and Parts for Xylem/Flygt Brand Pumps and Mixers and Warranty Repair Services	Xylem Inc. Toronto	\$500,000.00	\$100,000.00	\$100,000.00	\$100,000.00	\$100,000.00	\$100,000.00	
Single Purchase	CCI	Payroll testers for system integration testing #2 for ERP project	Kondor Consulting	\$75,000.00	\$75,000.00					
2 years with options to extend for 2 additional 1 year terms	Environmental Operations	Supply & Delivery of Green Organic Roll Out Carts	Rehrig Pacific Company	\$100,000.00	\$25,000.00	\$25,000.00	\$25,000.00	\$25,000.00		
Single Purchase	Facility Planning & Development	Phase Two Environmental Site Assessment and Supplemental Geotechnical Investigation (Campus)	Peto MacCallum Ltd. Consulting Engineers	\$20,000.00	\$20,000.00					
5 years	Wastewater Operations	New Mixers for the Wastewater treatment Facility (WwTF) including UNOX Aeration Tanks #1-5 and Flash/Floc Tanks #1-3	SPX Flow - Lightning	\$500,000.00	\$100,000.00	\$100,000.00	\$100,000.00	\$100,000.00	\$100,000.00	
5 years	Wastewater Operations	Replacement mixer components, parts and repairs required for mixers operating at the Wastewater Treatment Facility (WwTF) including UNOX Aeration Tanks #1-5 and Flash/Floc Tanks #1-3	Gratec Limited	\$500,000.00	\$100,000.00	\$100,000.00	\$100,000.00	\$100,000.00	\$100,000.00	
1 year	Parks & Forestry Operations	In-Ground Garbage Receptacles and replacement Lids for existing receptacles	Alfa Products Inc	\$37,000.00	\$37,000.00					
1 year	Water Operations	Distribution system leak detection services through the use of satellite technology, existing GIS data and acoustic leak isolation methods	Water Matrix	\$89,000.00	\$89,000.00					
10 years	Transit & Parking Strategy	Purchase and Installation of Transit Intelligent Transportation Systems (ITS) Equipment	Tripspark/Trapeze	\$800,000.00	\$125,000.00	\$75,000.00	\$75,000.00	\$75,000.00	\$75,000.00	\$75,000.00 each year up to and including 2026
Single Purchase	Creative Economy	Pageantry program for Canada's 150th birthday (Illuminated Banner Arms)	The Look Company	\$15,000.00	\$15,000.00					



Contract Term	Department/ Branch	Description	Vendor Name	Estimated Award Amount	2017	2018	2019	2020	2021	2022-2026
Single Purchase	Engineering - Infrastructure Planning	Military Heritage Park works - These works include but not be limited to construction of a new parking lot, reconstruction of an existing parking lot, earth works, grading, concrete forming, seating walls, irrigation, LED lighting, Corten Panels, planting, pedestrian controls, unit paving, asphalt trail/walkways and granular trails.	Latitude 67 Ltd	\$1,607,432.80	\$1,607,432.80					
2 months	Engineering - Infrastructure Planning	Huron-Wendat Nation onsite monitoring during archaeological field work associated with detailed design of Harvie Big Bay Crossing Over Highway 400	Huron-Wendat Nation	\$33,500.00	\$33,500.00					
Single Purchase	Facility Planning & Development	Stage 3 Archaeological Investigation - Barrie Simcoe Emergency Services Campus	A.M Archaeological Associates	\$30,000.00	\$30,000.00					
1 years with options to extend for 1 additional 1 year terms	Finance	Corporate Banking Services	TD Bank	\$0						
9 months	Facility Planning & Development	Huron-Wendat Nation onsite monitoring during archaeological field work associated with the Allandale Historic Train Station fit up	Huron-Wendat Nation	\$60,727.49	\$60,727.49					
3 years	Environmental Operations	Reimbursement for costs associated with collection of Automotive Materials – NOTE: this is a Revenue Based Contract	Automotive Materials Stewardship	(\$4,500)	(\$1,500)	(\$1,500)	(\$1,500)			
3-5 years	Water Operations	Treatment Chemical - Sodium Silicate used for iron sequestration in the Ground Water Supply System	National Silicates	\$325,000.00	\$65,000.00	\$65,000.00	\$65,000.00	\$65,000.00	\$65,000.00	
5 years	Information Technology	Software and Licenses for SQL Defrag Manager - RM, SQL Diagnostic Manager	Idera Inc.	\$12,000.00	\$2,400.00	\$2,400.00	\$2,400.00	\$2,400.00	\$2,400.00	
		*This is US\$								
3 years	Wastewater Operations	Replacement Mixers and Parts for Digesters	C & M Environmental Technologies	\$200,000.00	\$66,666.00	\$66,667.00	\$66,667.00			
5 years	Fire and Emergency Services	Replacement and Upgrade Extrication Equipment	Code 4 Fire and Rescue	\$300,000.00	\$60,000.00	\$60,000.00	\$60,000.00	\$60,000.00	\$60,000.00	



Contract Term	Department/ Branch	Description	Vendor Name	Estimated Award Amount	2017	2018	2019	2020	2021	2022-2026
5 years	Wastewater Operations	Replacement UV Treatment Equipment and Parts	SUEZ Treatment Solutions	\$500,000.00	\$100,000.00	\$100,000.00	\$100,000.00	\$100,000.00	\$100,000.00	
1 year	Engineering - Infrastructure Planning	Sam Cancilla Park Public Engagement - Playground Replacement	The Ontario Water Centre	\$16,000.00	\$16,000.00					
5 years	Wastewater Operations	Replacement Drum Thickener and Parts	Parkson Corporation	\$90,000.00	\$18,000.00	\$18,000.00	\$18,000.00	\$18,000.00	\$18,000.00	
10 years	Engineering - Design & Construction	Huron-Wendat Nation onsite monitoring during archaeological field work associated with a stage 3 or 4 Archaeology Assessment	Huron-Wendat Nation	varies based on project						
2 years with options to extend for 2 additional 1 year terms	Roads, Storm water & Rail Operations	Supply, deliver, install, and deploy fleet vehicle GPS/AVL tracking systems for City's fleet	Digital Instruments Canada Inc. & BSM Technologies Ltd.	\$200,000.00	\$50,000.00	\$50,000.00	\$50,000.00	\$50,000.00		
Single Purchase	Engineering - Design & Construction	Construct Basketball Court, Ice Rink - Centennial Park (addition to Contract 2016-037T)	Rutherford Contracting	\$741,481.18	\$741,481.18					
6 months	Roads, Storm water & Rail Operations	Freeze point suppressant for salt reduction pilot project	Innovative Surface Solutions	\$60,000.00	\$60,000.00					
2 years with options to extend for 2 additional 1 year terms	Roads, Storm water & Rail Operations	Supply, Deliver, Install & deploy of Webtech 511 public-facing web portal solution for road/sidewalk maintenance during winter months	Digital Instruments Canada Inc. & BSM Technologies Ltd.	\$77,000.00	\$38,000.00	\$13,000.00	\$13,000.00	\$13,000.00		
8 months	CCI	FICO & Test Lead for SAP Implementation	Fokis Services Inc.	\$224,000.00	\$224,000.00					
10 years	Water Operations	SWTP Membrane Filter Replacement & Insight Monitoring Service	Suez Water Technologies & Solutions formerly GE Water and Process Technologies	\$2,500,000.00	\$250,000.00	\$250,000.00	\$250,000.00	\$250,000.00	\$250,000.00	\$250,000 each year up to and including 2026
Single Purchase	Water Operations	Install and pilot a new type of Chlorine scrubber at Centennial Well 15	De Nora Water Technologies Inc.	\$55,000.00	\$55,000.00					
9 months	Marketing & Communications	Weekly Update in Local Newspaper	Metroland Media Group Ltd.	\$58,500.00	\$58,500.00					





Contract Term	Department/ Branch	Description	Vendor Name	Estimated Award Amount	2017	2018	2019	2020	2021	2022-2026
1 year	Engineering - Design & Construction	Construction Contract Admin/Inspection for FIN 2017- 002T Dunlop St-Miller Dr-Tiffin St Intersection Improvements	R.J. Burnside through County of Simcoe	\$100,000.00	\$100,000.00					
3 years	Information Technology	Annual Maintenance and Software Assurance for SharePoint and iCity Licenses	Imex Systems Inc.	\$75,000.00	\$25,000.00	\$25,000.00	\$25,000.00			
8-12 months	CCI	System Integrator Consulting Services from Kondor	Kondor Consulting Group Inc.	\$2,600,000.00	\$2,600,000.00					
		2017 Non Standard Procurement Total		\$12,706,141.47						

**Note:** Non-Standard reporting has been changed from the 2016 Annual Procurement Activity Report. It now identifies out-years to better reflect years of the expenditures. Totals reflect values at time of request.