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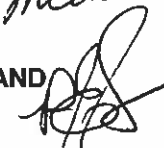
**TO:** GENERAL COMMITTEE


**SUBJECT:** 2014 PURCHASING ACTIVITY REPORT

**WARD:** ALL

**PREPARED BY AND KEY CONTACT:** D. ALLAN, MANAGER OF PURCHASING, EXTENSION #4456

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

**GENERAL MANAGER APPROVAL:** P. ELLIOTT-SPENCER, GENERAL MANAGER OF COMMUNITY AND CORPORATE SERVICES 

**CHIEF ADMINISTRATIVE OFFICER APPROVAL:** C. LADD, CHIEF ADMINISTRATIVE OFFICER 

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**RECOMMENDED MOTION**

1. That the following schedules, collectively representing the 2014 Purchasing Activity Report, be received for information:
  - a) Contract awards under delegated authority and contracted goods and services (renewals and amendments) exceeding \$1,000,000 attached as Appendices "A" and "B";
  - b) Professional Services that have received payments with a total cumulative value exceeding \$250,000 within each calendar year attached as Appendix "C";
  - c) 2014 Single and Sole Source purchases exceeding the \$10,000 threshold awarded under delegated authority attached as Appendix "D";
  - d) An assessment of the degree of compliance with the Procurement By-law.

**PURPOSE & BACKGROUND**

**Report Overview**

2. The report is prepared in accordance with the reporting requirements established in Procurement By-Law 2013-073, mainly:
  - a) The Procurement By-law requires the Manager of Purchasing to provide the following information:
    - i) An assessment of the degree of overall compliance with the Procurement By-law.
    - ii) An annual information report summarizing the details for contracts, amendments and renewals awarded with delegated authority that exceed \$1,000,000;
    - iii) An annual information report identifying professional services providers that have received payments from the Corporation with a cumulative total value of \$250,000 or more within the calendar year;
    - iv) A report on the Single and Sole Source purchases exceeding \$10,000, ensuring transparency with these contract awards.

This report also provides information on performance reporting, and service improvements that are currently underway.

**ANALYSIS**

3. The 2014 Procurement Activity Report is provided in Appendices "A", "B", "C" and "D" as follows:
  - a) Appendix "A" reports the 2014 awards made under delegated authority exceeding \$1,000,000. There were 12 awards with a combined value of \$72,723,320.31;
  - b) Appendix "B" reports the 2014 Standing Agreements that were issued, amended, or renewed for goods and services exceeding \$1,000,000 per year. The Standing Agreements reflected include contract renewals and awards with a combined value of \$1,500,000;
  - c) Appendix "C" reports the payments made for professional service engagements in 2014 that exceeded \$250,000. This is to provide transparency to consultant engagements and demonstrate fairness in the awarding of consultant related contracts. Payments reflected in many instances are part of a multi-year contract and the amount reported represents the amounts spent in 2014 only. There were seven firms that received such payments with a combined payment value of \$4,569,378;
  - d) Appendix "D" reports the Single and Sole Source purchases for 2014. There were 26 Single and Sole Source awards with a combined award value of \$1,655,030.
  
4. Procurement By-Law effectiveness and degree of compliance: Reviewing the degree of compliance with the By-law is important, as any significant and/or recurring instances of non-compliance could compromise the City's ability to defend its actions if legally challenged. Reviewing for compliance can also create the opportunity to assess the effectiveness of the By-law, identify training opportunities, and opportunities to make recommendations to individuals/departments that meet their needs, without increasing the level of risk the City is exposed to.

**Key Performance Indicators**

5. A series of performance indicators are used to measure and improve the overall quality of the procurement process and services provided by the Purchasing Branch.

<b>Performance Measures</b>	<b>2012 Target</b>	<b>2012 Actuals</b>	<b>2013 Target</b>	<b>2013 Actuals</b>	<b>2014 Target</b>	<b>2014 Actuals</b>
<b>Average no. of days to complete bid process</b>	87	88	87	95	87	87.5
<b>Number of competitive bid processes</b>	195	175	200	204	175	125
<b>Number of bids received per bid call</b>	5.0	5.03	5.0	5.52	5.0	4.35
<b>Benefits of the competitive bidding process</b>	15%	6.7%	10%	6.3%	10%	12.9%
<b>% of goods/services purchased through procurement process</b>	65%	56.5%	65%	71.3%	75%	88.6%

6. Below is a description of each of the performance measures and how they can be used:
- a) Average No of Days to Complete Bid Process: This is a measure of the time from the receipt of client department specifications, to the issuance of a Purchase Order. This measure allows staff to monitor service levels and cycle times. The complexity and type of procurement process affects the overall time to complete a process.  
  
The average number of days reflected above encompasses all procurement types, RFT, RFQ, RFP, and RFPQ. RFPs, on average took 112 days to complete given their inherent complexity, whereas RFQs on average took 55 days to complete.
  - b) Number of Competitive Bid Processes: This is a measure of procurement activity that assists with the identification of opportunities to consolidate bid calls, balance work plans, and identify appropriate resource requirements. The target for this measure is based on previous year's procurement activities and the anticipated requirements for the coming year.
  - c) Average Number of Bids per Bid Call: This is a measure of both the competitiveness of the markets for municipal goods and services, and the market's perception of the City of Barrie's attractiveness as a customer/client.  
  
The lower than anticipated average number of bids per bid call is partially attributed to the following factors:
    - i) Specialized requirements/limited competition market: A number of the requirements requiring a procurement process in 2014 were highly specialized having a small vendor market, such as sidewalk sweeper, Bio Solids Haulage, and Play Ground Equipment;
    - ii) Timing of Procurement processes to market: Some of the construction related requirements were offered to the market later in the tendering season, resulting in fewer bids being received;
    - iii) Length of time in the market: The length of time in the market and compressed project work schedules may have discouraged bidders from responding.
  - d) Benefits of the competitive bidding process: This measure reports the percentage difference between the award and the amount of the next lowest. It is an indicator of the financial advantage to the City of utilizing a competitive bid process.
  - e) Percent of Goods/Services Purchased Through Procurement Process: This measure reflects the percentage of goods and services purchased through a formal procurement process.

Georgian Bay Area Public Purchasing Cooperative

7. The City of Barrie is a member of the Georgian Bay Area Public Purchasing Cooperative (GBAPPC). This Purchasing Cooperative provides opportunities for the City to participate in collaborative procurement processes with neighbouring municipalities, school boards, and other public organisations. The benefits to the City are shared expertise and cost savings as a result of the increased buying power, and greater volumes. Facilitation of procurement processes is shared by all members of the GBAPPC.

8. The City of Barrie participates in the following GBAPPC commodities:
- a) Office Supplies, Contracted with Staples: The total GBAPPC consolidated annual contract value for office supplies is \$1.9 million. The budgeted annual spend for the City of Barrie is approximately \$375,000. The GBAPPC contract provides the City with a 64% discount on all office supply requirements. This potentially produces an annual cost avoidance of over \$150,000 per year if the City purchased at full cost;
  - b) Road Salt: The total GBAPPC consolidated annual contract value is \$4,298,651 and the estimated annual spend for the City is \$1,389,800. The 2012 tender resulted in a 12% reduction in the cost for this commodity;
  - c) Toner Cartridges: The total GBAPPC consolidated annual contract value is an estimated \$600,000 and the estimated annual spend for the City is estimated at \$120,000;
  - d) In addition the City participates in other commodities such as Janitorial Supplies, Road Patch Products, Document Shredding Services, and Batteries.

2014/2015 Improvement Objectives

9. **Procurement Service Review:**

- a) During the 2014 Business Plan deliberations, Council requested that a Procurement Service Review be conducted (motion 14-G-017). The objective of this service review is to:
  - i) Ensure policies, processes, and procedures reflect industry standard and allow for an appropriate level of governance, risk management, and efficiencies;
  - ii) Engage all stakeholders for feedback and concerns that will be used to determine where improvements are required and how improvements can be made;
  - iii) Simplify and increase the degree of flexibility within the City's procurement templates;
  - iv) Continue to strengthen the relationship between the City and the vendor/contractor community;
  - v) Increase the level of procurement knowledge across the Corporation.
- b) Procurement industry/practices leading consultants, The Procurement Office (TPO), have been engaged and have provided a number of recommendations for improvement. TPO and the City's Procurement Services Review Team are working through their recommendations with a goal of having all implemented in 2015;
- c) An update on the status of the project, including the work completed, will be provided in a separate report.

**ENVIRONMENTAL MATTERS**

10. There are no environmental matters related to the recommendation.

**ALTERNATIVES**

11. As this is a report describing historical purchasing activities and trends, no alternatives are presented.

**FINANCIAL**

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

**LINKAGE TO 2014-2018 STRATEGIC PLAN**

13. The recommendations included in this Staff Report are not specifically related to the goals identified in the 2014-2018 Strategic Plan.

**APPENDIX "A"**

**Contracts Awarded in 2014 Exceeding \$1,000,000**

<b>Reference No.</b>	<b>COMMODITY/PROJECT TITLE</b>	<b>Vendor</b>	<b>CONTRACT AWARD AMOUNT</b>	<b>NEXT HIGHEST BID</b>
2014-001T	Lakeshore Drive Construction	Harvie Construction Inc.	\$12,394,395.96	\$12,623,762.50
2014-002T	Concrete Rehab & Unox Gates	BGL Contractors Corp	\$1,494,000.00	\$1,527,550.00
2014-014T	Roadway Snow Clearing	John Eek & Son LTD	\$1,776,000.00	\$1,867,400.00
2013-103T	Hwy 400/Duckworth Construction Admin Services	McIntosh Perry Consulting Engineers Ltd	\$4,409,920.00	\$4,596,760.00
2013-135P	Security Guard Service	Primary Response Inc.	\$1,539,530.00	\$1,874,840.00
2013-055P	Waste Management Collection Services	BFI Canada Inc	\$32,474,387.12	\$39,106,977.60
2014-015T	Sidewalk Snow Clearing	Clintar Landscape Management	\$4,936,250.00	\$5,040,760.90
2014-046T	Bio Solids Haulage	Wessuc Inc.	\$7,400,577.14	\$7,591,824.00
2014-049T	2014 Road Resurfacing	Lisbon Paving Co. Limited	\$1,897,994.99	\$2,988,905.00
2014-053T	Sunnidale Road Watermain Lining (Anne to Letitia)	FER-PAL Construction Ltd.	\$1,055,415.00	\$1,250,982.00
2014-054T	Mapleview Drive Transmission Watermain	B&J Contracting	\$1,389,731.50	\$1,684,502.00
2014-065T	Dunlop Street Road Restoration	B&J Contracting	\$1,955,118.60	\$1,983,000.00
<b>Totals</b>			<b>\$72,723,320.31</b>	<b>\$82,137,264.00</b>
<b><u>DIFFERENCE:</u></b>			<b><u>\$9,413,943.69</u></b>	

APPENDIX "B"

**2014 Renewals and Amendments for Contracted Services**  
**In Excess of \$1,000,000 Annually**

<b>Contract No.</b>	<b>Project Name</b>	<b>Vendor Name</b>	<b>Type</b>	<b>Estimated Annual Value</b>
FIN2011-014T	Fuel: Gas & Diesel	Mayes Martin	Renewal	\$1,500,000
			<b>Total Renewals:</b>	<b>\$1,500,000</b>

APPENDIX "C"

**2014 Payments to Consultants  
In Excess of \$250,000 Annually**

<b><u>Gateman - Milloy Inc.</u></b>			
<b>Contract No.</b>	<b>Project Name</b>	<b>Comments</b>	<b>Total Invoice Amount (Incl. HST)</b>
Open Competition FIN 2013-026P	Lampman Lane Revitalization	Formal competitive bid process facilitated by Purchasing	\$255,428
<b>2014 Total Payments</b>			<b>\$255,428</b>

<b><u>Golder Associates</u></b>			
<b>Contract No.</b>	<b>Project Name</b>	<b>Comments</b>	<b>Total Invoice Amount (Incl. HST)</b>
Open Competition FIN 2011-059P	Historical Waste Site Monitoring	Formal competitive bid process facilitated by Purchasing	\$33,634
Non-competitive	Weigh Scale Project	Work originally projected to be under \$10K	\$17,122
Single Source FIN 2008-S001	Landfill Re-Engineering	Single Source Award	\$1,266,123
Open Competition FIN 2011-028P	Purge well rehab	Formal competitive bid process facilitated by Purchasing	\$16,961
Single Source FIN 2014-S016	Ground water monitoring	Single Source Award	\$31,163
Non-competitive	Evaluate new back ground well	Under \$10K	\$2,205
Non-competitive	Peer Review	Under \$10K	\$896
Non-competitive	Peer Review	Under \$10K	\$5,015
Non-competitive	Phase 1 ESA	Under \$10K	\$4,763
<b>2014 Total Payments</b>			<b>\$1,377,881</b>

<b><u>Morrison Herschfield Limited</u></b>			
<b>Contract No.</b>	<b>Project Name</b>	<b>Comments</b>	<b>Total Invoice Amount (Incl. HST)</b>
Open Competition FIN 2008-26	Cundles Road/Duckworth Street/Hwy 400 Bridge	Formal competitive bid process facilitated by Purchasing	\$206,195
Open Competition FIN 2012-004P	Transit P3 Advisors	Formal competitive bid process facilitated by Purchasing	\$6,159
Open Competition FIN 2012-114P	Harvie/Big Bay/Hwy 400 Class EA	Formal competitive bid process facilitated by Purchasing	\$131,571



Open Competition FIN 2013-102P	Construction Admin Hwy 400/Duckworth	Formal competitive bid process facilitated by Purchasing	\$1,157,697
<b>2014 Total Payments</b>			<b>\$1,501,622</b>

<b><u>Peto MacCallum Limited</u></b>			
<b>Bid Process</b>	<b>Project Name</b>	<b>Comments</b>	<b>Total Invoice Amount (Incl. HST)</b>
Open Competition FIN 2013-072Q	Geotechnical Testing Services	Formal competitive bid process facilitated by Purchasing	\$296,381
<b>2014 Total Payments</b>			<b>\$296,381</b>

<b><u>RJ Burnside</u></b>			
<b>Process</b>	<b>Project Name</b>	<b>Comments</b>	<b>Total Invoice Amount (Incl. HST)</b>
Open Competition FIN 2013-098P	Design Services Dunlop St to Eccles St to Toronto St	Formal competitive bid process facilitated by Purchasing	\$68,584
Invitational bid \$10-100K	Jean Street and Tyndale Road Design Services and Document Preparation	Informal bid process facilitated by the department.	\$36,492
Open Competition FIN 2014-044P	Road Patrol Software	Formal competitive bid process facilitated by Purchasing	\$47,432
Invitational bid \$10-100K	Design Consulting Services for Morrow, Patterson, Ardagh	Informal bid process facilitated by the department.	\$35,122
Non-competitive	Detailed Design Lakeshore Drive Reconstruction Toronto to Tiffin Street	Under \$10K	\$9,825
Open Competition FIN 2014-055P	Mapleview Drive East Improvements - Design	Formal competitive bid process facilitated by Purchasing	\$198,064
<b>2014 Total Payments</b>			<b>\$395,519</b>

<b><u>T2 UTILITY ENGINEERS</u></b>			
<b>Contract No.</b>	<b>Project Name</b>	<b>Comments</b>	<b>Total Invoice Amount (Incl. HST)</b>
Open Competition FIN 2014-016P	Subsurface Utility Engineering	Formal competitive bid process facilitated by Purchasing	\$368,652
<b>2014 Total Payments</b>			<b>\$368,652</b>

**TORY'S LLP**

Contract No.	Project Name	Comments	Total Invoice Amount (Incl. HST)
Invitational	P3 Legal advisor	<p>Informal bid process facilitated by the department. The P3 Transit committee decided to issue an RFP for a team that would provide finance, transit operations and construction consulting services. The P3 Transit committee, on the advice of City of Barrie Legal Services Department, concluded that as there are only a small handful of lawyers in Ontario with the level of legal expertise (including considerable P3, transit, construction and municipal law experience) required, it did not make sense to include legal consulting services as part of the team advisory group RFP.</p>	\$373,894
<b>2014 Total Payments</b>			<b>\$373,894</b>

APPENDIX "D"

Sole/Single Source Purchases for 2014

File Number	Description	Vendor Name	Award Amount (Excl. HST)	Comments
FIN 2014-S001	Consulting Services	Watson & Associates Economists Ltd.	\$28,000	Watson completed the City's FIA and to ensure consistency with the analysis in the FIA, Water Operations engaged Watson to complete the work necessary to renew the Municipal Drinking Water License.
FIN 2014-S002	Emergency Purchase for WwTF Electrical Switch Gear/Fuses	Wilson High Voltage	\$25,300	There was a critical issue with the main electrical feed to the Wastewater Treatment Facility that required immediate repair.
FIN 2014-S003	Executive Search Services	Odgers Berndtson	\$30,000	Odgers Berndtson had the most extensive municipal practice for senior executive recruitment.
FIN 2014-S004	Pilot project for Business Tablets	Compu-Solove Technologies	\$60,000	To determine the feasibility of tablets as part of the City's IT Mobile Strategy.
FIN 2014-S005	Benefits Consultant	Buffet Taylor	\$20,000	Buffet Taylor (BT) was engaged as an industry expert to assist with the City's Benefits RFP. BT has intimate knowledge of the City's benefits history and requirements.
FIN 2014-S006	Emergency Purchase for WwTF Raw Sewage Pumps Magnetic Flow Meters	Endress & Hauser	\$70,000	This emergency purchase was to address an issue with the existing meters and to prevent any health and safety issues that were anticipated with the existing lower grade meters.
FIN 2014-S007	Annual Safety & Service on Aerial Fire Truck	Currie Truck Centre	\$24,417	This cost includes the repairs required as a result of issues discovered during the annual inspection.
FIN 2014-S008	Cost Sharing Agreement For Mapleview Drive/County Road 27/ Essa Township Road 25 Intersection Improvements (Ward 7)	County of Simcoe	\$20,000	In accordance with Council Motion 13-G-228
FIN 2014-S009	Bench Marking Initiative	AECOM	\$200,000	AECOM is the only organization that provides National Solid Waste Benchmarking
FIN 2014-S010	Lease of Voting/Vote Counting Equipment	Election Systems & Software Inc.	\$150,000	ES&S was the only company that provides a voting system that includes touch screen capability.

File Number	Description	Vendor Name	Award Amount (Excl. HST)	Comments
FIN 2014-S011	PowerStream Payment System (Governed By Ontario Power Authority)	Hudson Energy	\$75,000	This requirement was a one year trial of this approach. Staff will be going to market in 2015 for a longer term solution.
FIN 2014-S012	Waste Container Advertising Agreement	Bench Press Ltd./ Creative Outdoor Advertising	\$10,000	Contract was extended an additional two years to allow for further expansion and review of this opportunity.
FIN 2014-S013	Pump Test Trailer	Carrier Emergency Vehicles	\$34,784	Standardization
FIN 2014-S014	Consulting Services	Western Management Consultants	\$18,800	This consultant was engaged to facilitate sessions with EMT relating to organizational and team dynamics and development. It was anticipated that the engagement would be under \$10K; however EMT deemed the value derived from additional sessions would be beneficial to the organization.
FIN 2014-S015	Pound Keeping Services	Ontario SPCA	\$282,060	This sole source award to the OSPCA is due to the unique nature of this service and staff determining that the OSPCA is the sole supplier possessing the unique ability to provide the service.
FIN 2014-S016	Ground Water Monitoring & Reporting	Golder Associates	\$71,000	Golder Associates has provided the service since 2003. To ensure consistency and standardization of the testing and reporting, staff proceeded with the award of a single source five year term contract.
FIN 2014-S017	Legal Expenses And Contingencies	The Procurement Office	\$78,300	After considerable research it was determined that The Procurement Office was the sole company that had the required expertise and unique approach relating to Procurement governance and practices.
FIN 2014-S018	Change Management Training	Western Management Consultants	\$30,000	Following extensive research, staff determined that Western Management's unique simulator training approach and messaging aligned with the principles defined as part of the change management team/strategy. The simulator approach provided participants with the opportunity to make decisions in a learning environment while understanding the ramifications of their decisions both on morale and dollars spent.
FIN 2014-S019	Electro Magnetic Inspection of Live Pipe	Pure Technologies	\$40,000	Pure Technologies were the sole company that has the technology/equipment to provide the required inspection analysis and reports.

File Number	Description	Vendor Name	Award Amount (Excl. HST)	Comments
FIN 2014-S021	Emergency Cabinets	Econolite Canada Inc.	\$38,669	Emergency Replacement of three cabinets due to power surge damage.
FIN 2014-S023	Update of Long Term Fiscal Impact Analysis	Watson & Associates Economists Ltd.	\$100,000	To ensure consistency with the report/data, Watson was engaged to update the FIA.
FIN 2014-S024	Remedy Force Hosted Service Desk	BMC	\$25,000	Continuation of the subscription for the BMC Software RemedyForce.
FIN 2014-S025	Trafficware-Syncro software	Trafficware	\$50,000	Trafficware were engaged to upgrade the Synchro software, which are the original manufacturers, therefore are the sole company that can complete the upgrade.
FIN 2014-S026	Traffic System Cabinets	Econolite Canada Inc.	\$38,700	Econolite are the sole supplier that provides the traffic cabinets currently in service. The Econolite comptrollers are required as they are the only controller with the ability to communicate with the City's central system.
FIN 2014-S027	Sponsorship Consultant	Centre For Excellence For Public Sector	\$25,000	Given the short timelines associated with starting the Sponsorship Program, staff determined the best path forward was to engage the Centre For Excellence For Public Sector.
FIN 2014-S029	Consulting Services	Amos Environment & Planning	\$110,000	Staff determined that due to the tight timelines and unique abilities of Amos Environmental, that a direct award would ensure an effective strategy for the Project and Class EAs.

**Total: \$1,655,030**