



# *Purchasing Workshop*

*January 29, 2018*



# Purpose

- ▶ In response to Council's expressed interest in a greater understanding the Purchasing function at the City



# Purchasing Branch Role

- ▶ Facilitating **Best Value** purchasing for,
  - ▶ Goods,
  - ▶ Services, and
  - ▶ Construction
- ▶ **Centralized Purchasing**
  - ▶ All purchasing is under the *direction* of the Purchasing Branch
    - ▶ Competitive Tendering
    - ▶ Contracting
    - ▶ Purchase Methods





# Best Value

- ▶ Competitive Tendering
  - ▶ Flexible formats (Proposals)
  - ▶ Price only formats (Quotes)
  - ▶ Pre Qualifications
- ▶ Leading and Best Practices
  - ▶ Formal and longer term contracts
  - ▶ Consolidation of spend
  - ▶ Closer collaboration with suppliers





# Best Performance

- ▶ Evidence based reviews and data analysis





# Strengths of Centralized Purchasing

- ▶ Certified Purchasing Professionals
  - ▶ Specialized training and education



**SCMA**

**Supply Chain Management Association**



# Strengths of Centralized Purchasing

- ▶ Superior Control
  - ▶ Regulatory Adherence
- ▶ Centralized Purchasing Records
  - ▶ Supports review and data analytics
- ▶ Risk Aversion
  - ▶ Collaboration with other City functions
    - ▶ Health and Safety, Risk Management, etc.



# Regulations

**Administrative  
Law**

**Trade  
Agreements**

**Community  
Charter**

**Bylaw & Policy**



# Principals of Public Procurement

- ▶ Non-discriminatory
- ▶ Openness
- ▶ Transparency
- ▶ Effective management of public resources



# Purchase Transaction Methods

- ▶ Purchase Orders
  - ▶ Blanket Purchase Orders
- ▶ Corporate Credit Card Program
  - ▶ Low value expenditures
- ▶ Shared Agreements
  - ▶ Other public entities like,
    - ▶ Government
    - ▶ Municipalities
    - ▶ Education Sector





# Cooperative Procurement

- ▶ Looking to leverage existing and emerging opportunities to join with other public entities
  - ▶ Economies of scale
  - ▶ Reduced duplication of effort
- ▶ Office supplies is a current example





# Purchasing Statistics

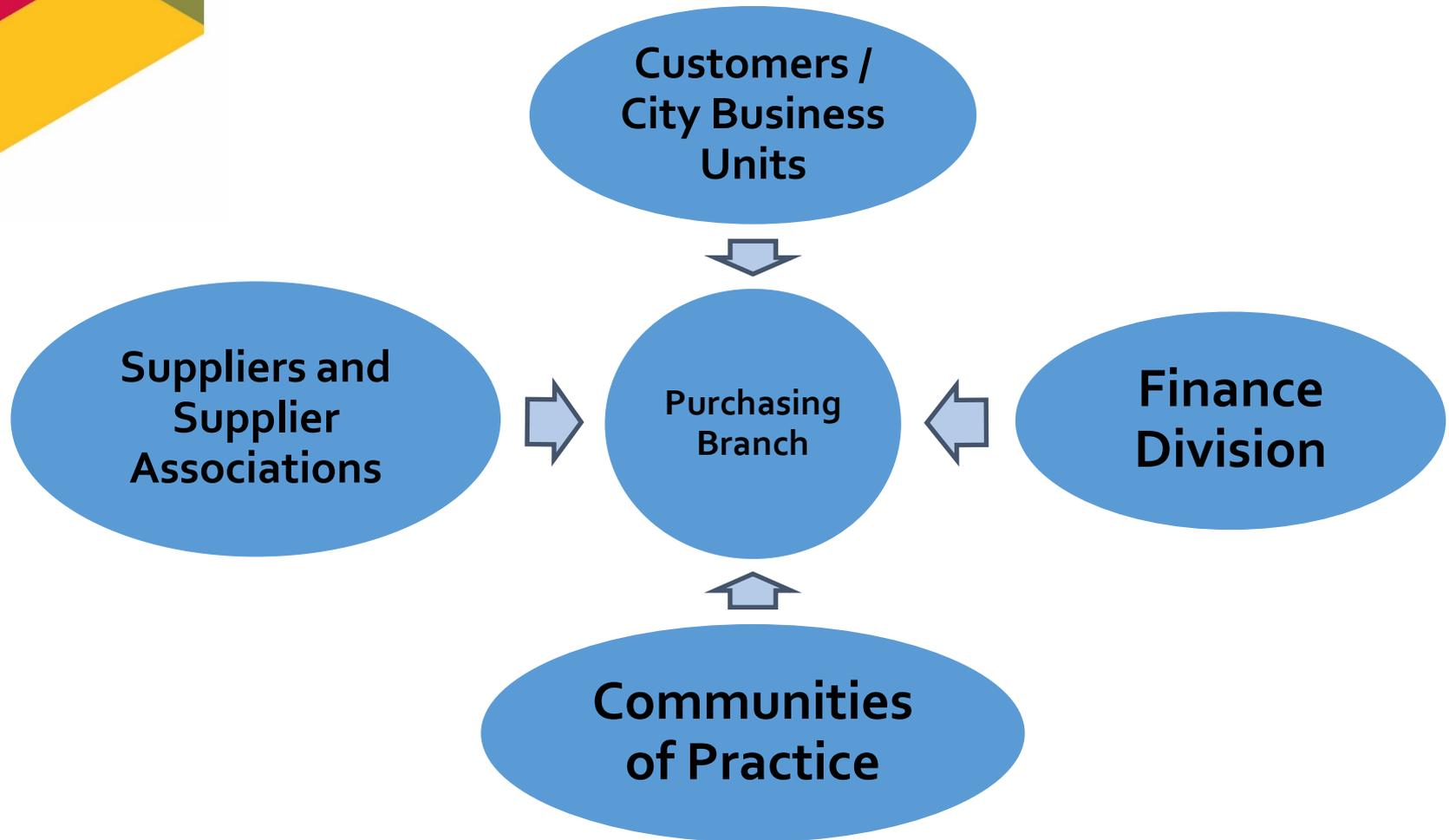
## Annual Averages

- ▶ Number of PO's issued = ~2,500
- ▶ Value of PO's issued = ~\$90-\$100M
- ▶ Number of Competitive Processes = ~ 85



# Superior Performance

- ▶ Utilizing and connecting with resources



# Superior Performance

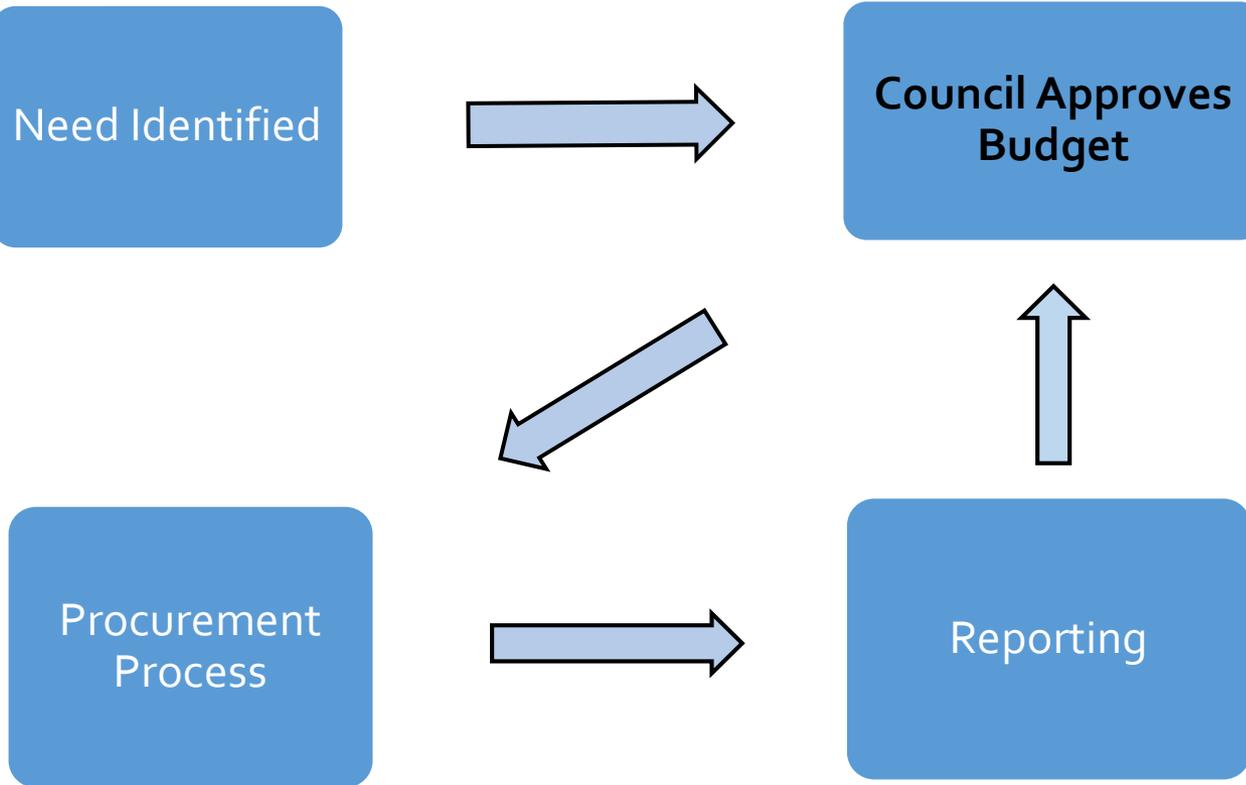


**AUDITOR GENERAL FOR  
LOCAL GOVERNMENT**





# Council's Role in the Purchasing Cycle





# Corporate Benefits

- ▶ Regulatory Compliance
- ▶ Achieving Best Value
- ▶ Mitigating risk and exposure



# Recommendation

- ▶ THAT Council receive for information, the Report from the Purchasing Manager, dated January 29, 2018 regarding the Purchasing Workshop Presentation.