

TO:	CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON TUESDAY, DECEMBER 5, 2017
FROM:	ANNA LISA BARBON MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER
SUBJECT:	UNDERSTANDING THE CITY'S PROCUREMENT PROCESS AND PRACTICES

RECOMMENDATION

That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, this report **BE RECEIVED** for information including (Appendix "A").

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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Corporate Services Committee, June 20, 2017, Item #4 Electronic Procurement Solution for Solicitation of Bids for City Procurement

Corporate Services Committee, August 1, 2017, Item #2 COUNCIL MEMBER SUBMISSION – Procurement of Goods and Services Policy.

BACKGROUND

On August 23, 2017, Municipal Council resolved that Civic Administration review and report back on how the Procurement of Goods and Services Policy and the current purchasing practices could be improved to reduce barriers that new businesses and businesses owned and/or operated by first-time business owners in our community face in accessing and understanding the City's procurement process.

DISCUSSION

The mission of the Procurement of Goods and Services Policy is "To obtain the right goods and/or services when needed while achieving best value through a transparent, fair and competitive process with a high focus on Customer Service." The City's Procurement Team endeavors to treat all bidders equally. This philosophy aligns with the Canadian Free Trade Agreement (CFTA) which is designed to remove barriers and create an open competitive environment. The City is also subject to compliance with the Canada-European Union Comprehensive Economic and Trade Agreement (CETA) which opens up competition at prescribed dollar thresholds to 28 European Union countries.

The City of London council approved Procurement of Goods and Services Policy also clearly states in section 21.5 that "The City shall not give any local or geographical preference during the competitive bid process." The City has over 2,500 International, National and Local suppliers ranging from multinational publicly traded companies to small privately owned London businesses. Naturally, some commodities lend themselves to be more economical to source from more logistically relevant locations since the point of delivery (Freight on Board (FOB)) is throughout the various City locations.

CURRENT PRACTICES

Over the years, the City participates in Reverse Trade Shows and Doing Business with the Government workshops which allow potential suppliers to approach public sector buyers directly to discuss procurement protocols and possible business opportunities in the future. These

workshops include representatives from the Federal Government of Canada (Public Services and Procurement Canada – Office of Small and Medium Enterprises) and the Province of Ontario (Ministry of Government and Consumer Services – Communication and Vendor Outreach, Supply Chain Ontario). The most recent event was held on November 2, 2017 in cooperation with the London Economic Development Corporation (LEDC) at the Hilton Double Tree in London. We also partner with the London District Heavy Construction and London District Construction Associations to communicate to their membership about our Policy and Processes.

Purchasing and Supply have also held City initiated public information sessions on bidding for City contracts, with the most recent held on September 6, 2017 at City Hall that was publicly advertised on the City's website, Twitter feed and Facebook page.

Finally, the City's Purchasing and Supply Division has long had a direct phone line (519-661-4900) and a direct, general email inquiry address (purch@london.ca) allowing businesses large and small to submit inquiries about processes and business opportunities.

CONTINUOUS IMPROVEMENT

In 2017, the City started a move forward to an electronic bidding platform (eProcurement). This new process helps to eliminate non-compliant bids as the City had received feedback from bidders that identified it was challenging to work with a manual process. The City is phasing in the new process with low to high risk procurements and has informed potential and existing bidders as such through a series of public information sessions.

The City uses an on-line bid solicitation service, bids&tenders, for most of its procurements. This service has a free registration for bidders seeking to match their business needs with new opportunities to contract with the City for goods and services. Potential bidders can receive email notifications of these bid opportunities and view them for free before committing to a one-time or annual fee to bid.

The City has recently also introduced a new "Selling to the City" guide pamphlet, refer to Appendix 'A' which is being distributed when meeting with potential and existing suppliers. This guide can also be found on the City's Purchasing & Supply web page.

The Procurement of Goods and Services Policy is a "living and dynamic document" that is constantly being updated as the business environment changes. The City's Purchasing and Supply division uses a continuous improvement philosophy to drive these changes and as a result has one of the most current Policies as such at the City. Since the current version was introduced in November of 2009, this Policy has been updated eleven (11) times with the most recent being March 21st, 2017.

LOOKING AHEAD

The City actively uses social media such as Twitter and Facebook to announce upcoming procurement events and plan to explore the creation of YouTube video series in 2018/19 to further educate the public about our processes and new initiatives. To further highlight the direct phone line to Purchasing and Supply, enhancements to the purchasing web page will be sought out. Purchasing and Supply also plan to reach out to the London Chamber of Commerce and the Small Business Centre on ways to increase awareness and educate new businesses.

CONCLUSION

The City's current Policy reflects benchmarked Procurement standards in Canada. It aligns with trade agreements and current practices that our fellow Public Sector agencies follow locally, provincially and nationally. The City makes every effort possible to educate ALL our potential and existing suppliers on the City's procurement process. It is therefore recommended that no changes be made to the Procurement of Goods and Services Policy that could lead to potential or perceived unfair bias in the supplier community. However, the City will continue to look at ways to improve awareness and understanding of the City's processes through the city's web page, social media, and public information sessions, encouraging the use of our direct phone line (519-661-4900) and e-mail address (purch@london.ca) for any questions or concerns.

This report was prepared with the assistance of Geoff Smith and Steve Mollon.

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Attachments:
Appendix A: Selling to the City Pamphlet

With 3000+ employees working across the city, we understand that finding the business area most suited to your product or service can be challenging.

Visit london.ca to find our service areas, divisions and many of our staff. You can contact City staff any time, by email or by phone, to arrange an appointment to discuss your business.

Many of our employees purchase products and services using a corporate credit card or purchase order - enabling them to deal directly with your business for small quantity and low-value purchases. We encourage all employees to request quotes and search for quality sustainable products within their budget.

Employees often search the internet and ask industry professionals or associations for product suggestions and supplier references. Being a member of associations relevant to your business, in addition to making your business visible and easy to contact, improves your chances of being seen by City staff, buyers from other large organizations and the buying public.

Find out more! We partner with the LEDC and Provincial and Federal Governments for "Doing Business with Government" workshops on a regular basis. Please monitor london.ca for event dates.

We'd love to know more about your business, but please do not visit or send samples without making prior arrangements with our staff.



Find out more about the City of London and Selling to the City



Selling to the City

A Guide for London's Business Community



LONDON.CA

london.ca/biddingopportunities



FIND US ON FACEBOOK

facebook.com/LondonCanada



FOLLOW US ON TWITTER

[@CityofLdnOnt](https://twitter.com/CityofLdnOnt)



WATCH US ON YOUTUBE

youtube.com/user/CityofLondonOntario



SUBSCRIBE TO OUR RSS FEEDS

london.ca/RSS



london.ca



London
CANADA

We're Your Customer

The City of London spends over \$450 million every year on goods, services and construction to keep London clean, green, safe and growing.

We proudly work with over 2500 contractors and suppliers. Local businesses provide many of the services, supplies and workforce we need to build and maintain our roadways, facilities and public spaces and support our administration.

We know that London has a thriving business community with suppliers and contractors who can provide the quality products, services, equipment and skilled labour we need.

At the same time, as a public organization, we are bound by trade agreements with set dollar-value thresholds. These agreements require us to publicly tender for our high-value purchases.

For products and services that are below trade agreement thresholds, and where we have not tendered for that product or service, we encourage staff to purchase from local businesses.

Bid Documents (Tenders/Quotes/Proposals)



Important changes to our online procurement service

The City of London has launched a new online procurement service, bids&tenders™ that makes it easier for you to review, register and submit bids for goods and services.

To continue submitting bids to the City of London you must subscribe as a vendor for the new bids&tenders™ system.

Subscription

Subscription to bids&tenders™ is available at an annual cost of \$165 CDN.

Only bidding once this year? A one-time bid fee is available for \$45 CDN per bid.

Please note: The City of London charges an additional document fee of \$30 for most bid downloads.

Bid Management Tools

bids&tenders™ gives you access to more opportunities and valuable bid management tools, including:

- Ability to upload and submit bids 100% electronically
- Track and manage bids at a glance with your custom dashboard
- Select your categories, so you only see the bids you want
- Automated email notifications of new bid opportunities, including addenda
- Work on a bid, save your work, and see the bid closing countdown in real time
- Ability to withdraw and change your bid, then resubmit if desired
- Automated confirmation when your bid has been submitted, received, or withdrawn
- Built-in calculator that does the math for you, eliminating calculation errors
- Built-in compliance checker so your bids are never rejected for incomplete information
- Built-in reminders sent to you if a bid has been started but not submitted within 48 hours, 24 hours, and 12 hours from close

We invite suppliers providing various goods and services to the City of London to register for an online webinar to learn more about the new system.

Contact Us

City of London
Purchasing & Supply
519-661-2489(CITY) ext.4900
purch@london.ca

