



## **Administrative Report**

### **Office of the Manager, Procurement and Compliance**

**To:** Warden MacDonald and Members of Essex County Council

**From:** Sandy Pillon  
Manager, Procurement and Compliance

**Date:** Wednesday, August 16, 2023

**Subject:** Procurement Services Annual Review 2023

**Report #:** 2023-0816-FIN-R19-SP

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#### **Purpose**

The purpose of this Administrative Report (the "Report") is to provide County Council with a review of Procurement Services for education and information purposes, and to provide County Council with a summary of future initiatives and planned changes to the County's Procurement Policy.

#### **Background**

In October of 2021, the Corporation of the County of Essex (the "**County**") decided to move to a centralized procurement model, whereby a dedicated group (the "**Procurement Services Group**") within the County's Finance Department began to purchase goods and services for the entire County. Prior to the Procurement Services Group taking on this role, each department of the County handled its own procurement using various processes, which may not have aligned with best procurement practices. Departments each had different levels of understanding of what best procurement practices were, and/or had entrenched procurement processes that had historically been followed.

Under the centralized approach, the Procurement Services Group is able to implement a strategic, rather than tactical view of the County's procurement. Tactical sourcing is short-term and reactive, while strategic procurement is long-term and proactive, considering the County's current and future needs.

The Procurement Services Group is focused on standardizing procurement processes and practices of the purchasing functions throughout the County. The goal of standardizing processes and practices is to provide:

- Continuity in corporate messaging to the market, resulting in building resident and market confidence;
- Reducing corporate risk; and
- Streamlining the purchasing function, reducing redundancy and creating efficiencies.

Further, in addition to streamlining the procurement process at the County, the Procurement Services Group collaborated with local municipalities to form a regional procurement group to identify services common to all and align procurement practices in an effort to standardize the information and instructions issued to the market.

During the pandemic, the Procurement Services Group procured pandemic supplies for participating regional members and other public sector organizations, thereby reducing costs for everyone in the region. The Procurement Services Group aims to work collaboratively with other municipalities across the province. For example, the Procurement Services Group initiated the procurement process to replace EMS electronic patient records software and interest is being received from several EMS services providers across the province to participate in the County's RFP for this software, in the hope that it will reduce costs for all.

In the first half of 2022, to assist with the new standardized approach for procurement being implemented by the Procurement Services Group, the Finance Department onboarded two (2) new staff members: Janey Murphy (Procurement Officer) and Diana Celestino (Clerk). With the addition of these two (2) staff members, the Procurement Services Group built a work plan to administer the centralization of procurement, which included the general messaging to departments, training, education, and the creation of a project tracking tool (the "**Project Tracker**").

The Project Tracker was launched during the pre-budgeting phase for 2023 and was designed to capture all County projects, the related budgets for the projects, the project leaders, and the procurement strategy to be used (i.e. RFP, RFT, or RFQ, etc.). The Project Tracker also tracks the project status from development through to project award and contract completion.

## **Procurement Objectives**

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The County's procurement objectives have been designed to ensure that our procurement processes are open, fair, and transparent. "Open" means that

the procurement process encourages competition. "Fair" means that the procurement process is fair in the treatment of proponents, submissions, and compliance with the County's legislative obligations, and in accordance with best procurement practices. "Transparent" means that the procurement process results in the County sharing of information related to all aspects of procurement, from the initial tender to the award of contracts.

## **Procurement Goals**

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The Procurement Services Group strives to continuously improve the County's procurement practices, with a focus on demonstrating value for money, improving procurement metric reporting and internal controls, reducing wasteful spending, and generating cost savings.

## **Discussion**

The Procurement Services Group provides procurement services directly to the following clients:

- Information Technology ("**IT**");
- Essex-Windsor Emergency Medical Services ("**EMS**");
- Sun Parlor Long Term Care Home ("**SPH**");
- Infrastructure and Planning Services ("**IPS**"), which includes Planning, traffic, roads, bridges and culverts, vehicle fleet and facilities; and
- Administration, which includes HR, Finance, Clerk and Council Services, CAO's office.

The Procurement Services Group also provides support to the Essex Windsor Solid Waste Authority ("**EWSWA**") and the Essex County Library (the "**Library**").

The Procurement Services Group has tendered and awarded millions of dollars' worth of goods and services. Each award in excess of \$300,000.00, or that has not been budgeted for and previously approved by County Council, has come to County Council for reporting and approval, in accordance with the provisions of the County's Procurement Policy. Likewise, any award that is below \$300,000.00, that has been budgeted for and approved by County Council, is approved in accordance with the County's Procurement Policy.

## **Procurement Process**

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Below is a brief summary of the procurement process currently implemented by the Procurement Services Group:

- 1) Identify projects and budget by department;
- 2) Determine procurement strategy (See **Appendix "A"** - Procurement Strategy);
- 3) Determine "required by date", i.e. Q1, Q2, Q3 or Q4;
- 4) Build project timelines to ensure product or service is delivered by the required by date;
- 5) Develop bid documents (RFP, RFT, RFQ, PO, RFI) in partnership with department lead/consultant e.g. scope of work, evaluation criteria, instructions to bidders, drawings, etc.;
- 6) Post / Award / Report to County Council as required; and
- 7) Execute contract and assist in contract administration.

The summary above is an overly simplified detailing of the "Procurement Process". There is often months of work involved, especially in the more complex projects, in determining the technical scope required for the Tender to be posted. Further, there is often the need for coordination with internal professionals, external consultants, the project manager assigned, and legal review prior to reporting to County Council and final award of a contract.

A more detailed summary of the "Procurement Process" is outlined in the County's Procurement Policy, a copy of which is appended to this Report as **Appendix "B"**.

The County's Procurement Policy has been in place since June of 2019, without revision. The Procurement Services Group has identified improvements that could be made to the Procurement Policy and a subsequent Administrative Report is being prepared for County Council to consider revisions to the Procurement Policy.

## 2023 Project Summary to Date

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A high-level summary of the projects the Procurement Services Group has completed, or is in the process of completing, on behalf of the County, EWSWA, and the Library are outlined below.

Strategy	Project Examples
<b>Request for Proposal (RFP)</b>	Strategic Plan, Service Delivery Review, Professional Services - Official Plan Review, Environmental Impact Assessment, Master Transportation Plan
<b>Request for Tender (RFT)</b>	IPS Road Rehabilitation, Bridges and Culverts, County Road construction CR42CR 22
<b>Request for Quote (RFQ)</b>	Professional Consulting Services, Help Desk Ticketing Solution, VOIP Call Routing Solution, Help Desk Ticketing Solution, Defibrillators
<b>Group Procurement Organization (GPO)</b>	Tandem Dump Trucks, Patient Slings, Pharmaceuticals, iPads & chargers, and Information Technology equipment and software, Office Furniture
<b>ACAN</b>	Planning and EWSWA
<b>Vendor of Record (VOR)</b>	Contract Administration Services, Engineering and Design Services, Geotechnical Services
<b>Direct Sourcing</b>	EMS Response Bags, IT Wireless Network, EMS Power Loads
<b>Purchase Orders</b>	Traffic Paint, Shoulder Grader, Mini Excavator, PPE, EPSI Engagement Survey, EMS Grand and Toy Station furniture, Security, Traffic Signal Beacons

## Long Term Goals of Procurement Services Group

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The County's Procurement Services Group is committed to becoming a "Centre of Excellence" providing leadership, training and support to improve procurement practices across the organization. To that end, the County's Procurement Services Group is:

- Achieving and championing the County's obligations to provide open, fair, and transparent procurement processes;
- Working collaboratively with the County's local municipalities, other municipalities, and other public sector organizations regionally to encourage group purchasing where possible; and
- Improving communication and transparency with the market.

The Procurement Services Group is working to improve communication about the "Procurement Process", both within the County Departments, among the seven (7) local municipalities, and throughout the Region, by participating in and providing training events such as:

- AMTCO's Mentorship Program, which provides leadership and professional advice while connecting "like" professionals with peers from other municipal organizations;
- Procurement Services Group sponsored Lunch & Learns, which to date have included "Procurement 101", "What's a GPO?", and "Procurement Planning & Tendering";
- Presenting at Invest Windsor-Essex's "Doing Business with Government" seminar, in collaboration with the City of Windsor's Procurement Group and Procurement Assistance Canada ("**PAC**");
- Presenting at the webinar of MFOA and OECM entitled "Purchasing Vs Procurement";
- Chairing the Region's Procurement Group, which is a forum for the seven (7) local municipalities to meet and discuss common challenges, and share expertise and tools;
- Refreshing the County's website which included the addition of a Procurement page where parties can seek information on how to do business with government, review planned procurements and previous tenders and awards; and
- Seeking feedback from potential bidders on County projects. To this end, the Procurement Services Group is working on setting up a meet and greet in the coming months with professional service providers and contractors the County regularly contracts with. At that time, the Procurement Services Group will share the County's front-end procurement documents, and suggested changes to the County's Procurement policy, and obtain related feedback from key stakeholders.

The County's Procurement Services Group is looking to continuously improve upon the County's procurement processes and policies. The Procurement

Services Group is involved in continued learning and conference opportunities to monitor best practices, and are actively involved as members with multiple professional public sector associations, including the Universal Public Procurement Certification Council (UPPCC), Ontario Public Buyer Association (OPBA), and Municipal Procurement Professional Ontario (MPPO).

## **Future Reports**

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Throughout the balance of 2023 and through 2024 the Procurement Services Group is working to provide key performance indicators ("**KPIs**") by way of a report to County Council on an annual basis. Some KPIs for consideration:

- 1) Project collaborations;
- 2) Procurement education and training initiatives;
- 3) Projects, strategies, procurement turn-around time;
- 4) Direct Purchases vs Open Competitive; and
- 5) GPO benefits.

Further, as stated previously, during the final quarter of 2023, the Procurement Services Group is planning to bring an Administrative Report to County Council to consider updates to the County's Procurement Policy and to further formalize and update the County's Vendor of Record Program.

## **Group Procurement Organizations (GPO)**

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Savings identified using Group Procurement Organizations (GPO)

<b>Initiative</b>	<b>Budget</b>	<b>Savings</b>
<b>Patient Slings (SPH)</b>	\$182,883	\$43,884
<b>Road Grader (IPS)</b>	\$588,000	\$128,100
<b>Pharmacy (EMS)</b>	\$13,400,000	\$1,800,000

## **Financial Implications**

The Procurement Services Group, in cooperation and collaboration with all departments, is achieving budgetary savings as well as operational efficiencies. Open, fair and transparent procurement processes establish the County's professionalism in the marketplace and work to strengthen the Corporation's vendor relationships. Championing procurement best practices and developing standardized templates and tools also supports the

procurement efforts at the local level within the County and serves to save administrative resources and reduce potential duplication of effort for common goods and services the County and its seven (7) locals require.

## Consultations

David Sundin, County Solicitor

## Recommendation

That Essex County Council receive the 2023 Procurement Services Review Report for information.

## Approvals

Respectfully Submitted,

*Sandy Pillon*

Sandy Pillon, Manager, Procurement and Compliance

Concurred With,

*Sandra Zwiery*

Sandra Zwiery, MAcc, CPA, CA, Chief Administrative Officer and Director,  
Financial Services/Treasurer

Appendix Number	Title
A	Procurement Strategy
B	2019-003 Procurement By-Law