

PROCUREMENT UPDATE

REPORT PERIOD: JANUARY 1 - DECEMBER 31, 2013



PROCUREMENT UPDATE 2013: AGENDA

I. Procurement Policy Review

II. 2013 Achievements

- Procurement statistics
- Bid committee / Council awards
- Sole Source awards

III. Update on Sustainable and Ethical Procurement (SEP)

PROCUREMENT 2013 UPDATE:

I. PROCUREMENT POLICY

- Procurement Policy approved by City Council and implemented in April 2010
- Key elements of new policy included:
 - Alignment of procurement services across CoV departments and Boards
 - Updated governance structure - contract authority levels including establishment of Bid Committee
 - Establishment of strategic procurement
 - Maximize Value for Money and incorporate sustainability (social, economic, environmental) into single policy
 - Annual progress report to Council

PROCUREMENT 2013 UPDATE:

II. PROCUREMENT STATISTICS

- 825 Contracts awarded through Central Supply Chain
- \$202 million value of awarded contracts
- \$14 million in estimated procurement savings
 - \$9 million in 2013; \$5 million in future years
- \$1 million in revenue generated through sales of surplus equipment

PROCUREMENT 2013 UPDATE: CONTRACT APPROVAL

Council approves contracts \geq \$2,000,000

Bid Committee approves contracts \geq \$500,000

Total contract value
\$202 Million

62%
(\$126M)

20%
(\$40M)

18%
(\$36M)

Council Approved
(+ Bid committee approved)

Bid Committee Approved

Department Approved

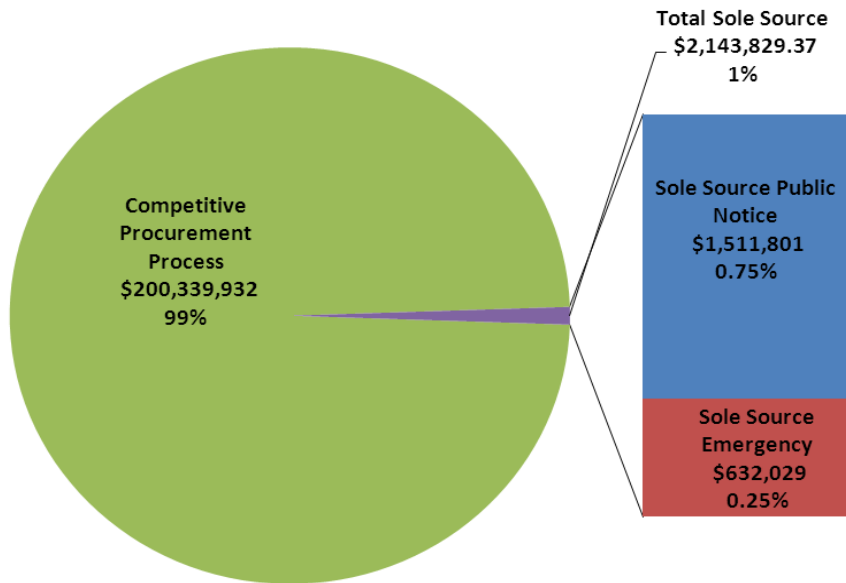
Total volume
825 contracts

2.5%
(20 contracts)

4.5%
(37 contracts)

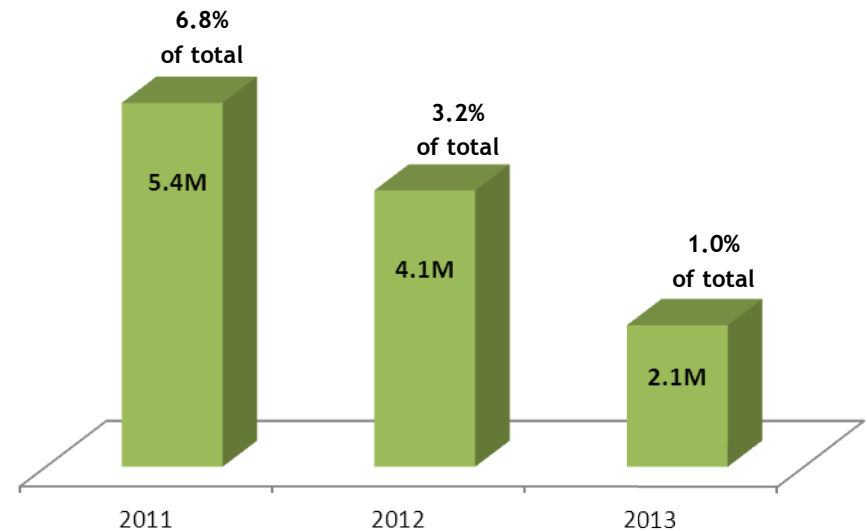
93%
(768 contracts)

PROCUREMENT 2013 UPDATE: SOLE SOURCE



City is successful in achieving a core objective of conducting competitive and open procurement.

Three-year trend shows continued decline in sole source activity



PROCUREMENT 2013 UPDATE:

III. SUSTAINABLE & ETHICAL PROCUREMENT (SEP)

CITY GOALS & STRATEGIES



PROCUREMENT 2013 UPDATE: SUSTAINABLE & ETHICAL PROCUREMENT (SEP) UPDATE PRIORITIES

Social	Economic	Environmental	SEP PRIORITIES
		✓	Reduce corporate GHG emissions
		✓	Increase recycled content of goods and reduce waste
✓			Promote safe and healthy workplaces
✓	✓		Support social enterprise
✓	✓	✓	Local procurement

The Sustainable and Ethical Procurement Committee is made up of the Deputy City Manager, Chief Procurement Officer and the Director of Finance.

PROCUREMENT 2013 UPDATE: SUSTAINABLE & ETHICAL PROCUREMENT (SEP) UPDATE

Social	Economic	Environmental	PRIORITY	2013 PROJECTS	2014 PROJECTS
		✓	Reduce corporate GHG emissions	<ul style="list-style-type: none"> • Compact and fuel efficient VPD patrol cars • More energy efficient computer hardware models • Adoption of compressed natural gas (CNG) technology for new refuse trucks 	<ul style="list-style-type: none"> • Support corporate green fleet plan • Traffic control services contract • Renew car share contract
		✓	Increase recycled content of goods and reduce waste	<ul style="list-style-type: none"> • Corporate waste diversion program • 100% post-consumer recycled paper • Reusable tote program for office & janitorial supplies • Kitchen waste bins made from recycled plastic 	<ul style="list-style-type: none"> • CoV facilities demolition waste diversion • Managed print services - reduce paper usage

PROCUREMENT 2013 UPDATE: SUSTAINABLE & ETHICAL PROCUREMENT (SEP) UPDATE

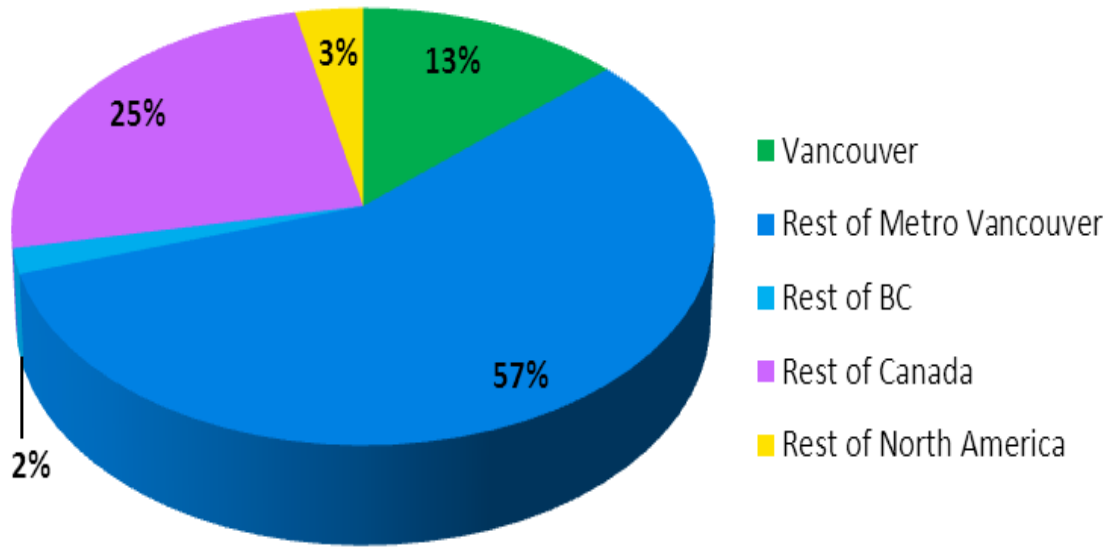
Social	Economic	Environmental	PRIORITY	2013 PROJECTS	2014 PROJECTS
✓			Promote safe and healthy workplaces	<ul style="list-style-type: none"> • Supplier Code of Conduct & Sustainability Leadership Questionnaire - integrated into evaluation process 	<ul style="list-style-type: none"> • Procurement of uniform contracts ~\$1M value
✓	✓		Support social enterprise	<ul style="list-style-type: none"> • Total value of \$1.9M spent with 11 social enterprises (2012-13) on services such as: <ul style="list-style-type: none"> – Maintenance on emergency shelters, – Landscaping, – Catering, – Micro-cleaning, – Packaging and assembly 	<ul style="list-style-type: none"> • Graffiti removal services • Continue to partner with VanCity to develop new and emerging social enterprises

PROCUREMENT 2013 UPDATE: SUSTAINABLE & ETHICAL PROCUREMENT (SEP) UPDATE

Social	Economic	Environmental	PRIORITY	2013 PROJECTS	2014 PROJECTS
✓	✓	✓	Local procurement -	<ul style="list-style-type: none"> • Increase in local & sustainable food purchases <ul style="list-style-type: none"> – Evelyne Saller Center – VPB concessions • Collaboration with suppliers to develop systems for tracking % of local & sustainable food purchased 	<ul style="list-style-type: none"> • Expand the local food procurement program (golf courses) • Local entrepreneur proof of concept program with VEC (Green Technology Showcase)

Local procurement is a key enabler to achieve Social, Economic and Environmental goals

PROCUREMENT 2013 UPDATE: VENDOR LOCATION FOR 2013 AWARDED CONTRACTS



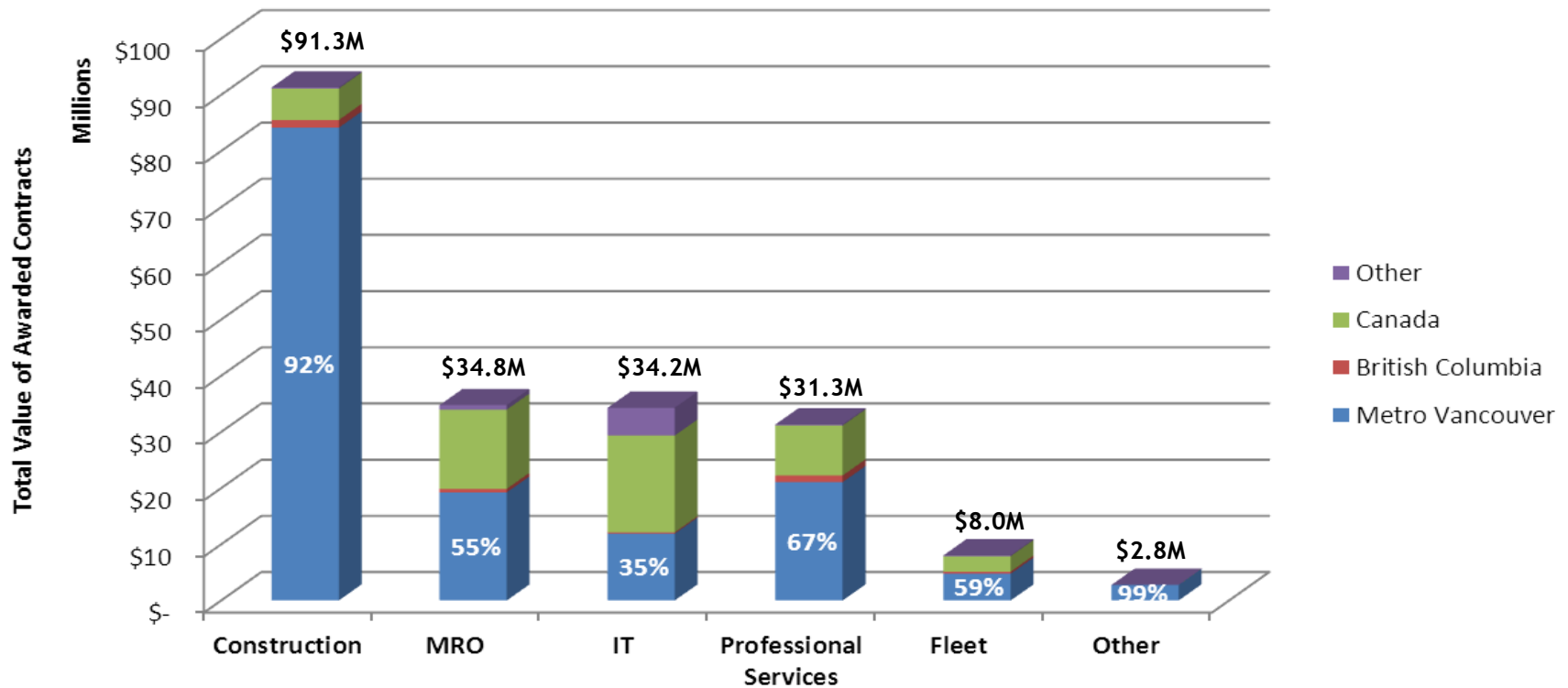
Total Contract Value = \$202M

•NOTES:

1. Vendor location is based on the billing address used by Accounts Payable.
2. Metro Vancouver is defined according to Translink service areas..

- 13% of the total contract value was awarded to vendors with a presence in the City of Vancouver limits
- 70% of the total contract value was to vendors with a presence in Metro Vancouver
- 97% of the total contract value was to vendors with a presence in Canada
- 100% of the total contract value was to vendors with a presence in North America

PROCUREMENT 2013 UPDATE: VENDOR LOCATION FOR 2013 AWARDED CONTRACTS



- 92% of Construction contracts (45.1% of total contracts) were awarded to vendors in Metro Vancouver and 99.3% awarded in Canada
- Most categories have 98% or more of the contracts values awarded to vendors in Canada

PROCUREMENT 2013 UPDATE: SUMMARY

- 825 contracts awarded / \$202 million in value
- Only 1% of contracts awarded through sole source
- 70% of vendors Metro Vancouver / 100% North America
- SEP goals (social, economic, environment) are aligned with corporate business plan and city goals
- Local Procurement is a key enabler of Sustainable and Ethical Procurement to help achieve the City's Social, Economic and Environmental goals