

# PURCHASING



## VALUE PROPOSITION

*I expect procurement processes to comply with legislation, support corporate objectives and municipal service needs; and deliver value in a timely, transparent and cost-effective manner.*

*As a vendor, I expect I am being evaluated in the same way as any other bidder and the bidding process is clear, fair and easy to complete.*

### KEEP IN MIND:

## Influencing Factors

Influencing factors can create variances in comparison data from year-to-year and from municipality-to-municipality.



### Organizational Form

*Different municipalities may not offer the same services or serve the same customers*



### Policy & Practices

*Time spent, process areas and progressive practices, can differ per municipality*



### Processes & Systems

*Extent of issued procurement cards, blanket orders, contracts, etc.*



### Provincial/Federal Policies

*Grants and tax policies impact spending and costs*



### Supply & Demand

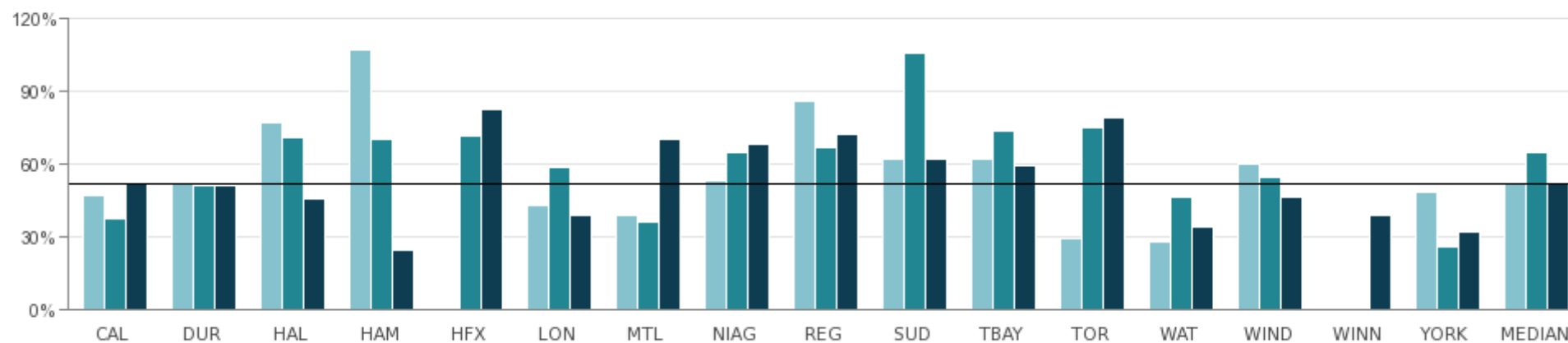
*Time of purchase can impact costs*

*For a full description of influencing factors, please go to: [www.mbncanada.ca](http://www.mbncanada.ca)*

## Purchasing

### Figure 27.1 Percent of Goods and Services Purchased (Operating and Capital) Through a Procurement Process

This measure calculates the value of contracts awarded through the centralized purchasing divisions during the fiscal year and may result in a percentage higher than 100%. Fluctuations in the value of awarded tenders from year to year will affect the results.



2016	46.9%	51.6%	76.8%	107.0%	N/A	43.1%	38.6%	52.8%	86.0%	61.9%	62.2%	29.5%	27.6%	59.7%	N/A	48.4%	52.2%
2017	37.6%	50.9%	70.9%	70.3%	71.7%	58.5%	36.3%	65.0%	66.8%	105.7%	73.8%	74.7%	46.6%	54.2%	N/A	25.7%	65.0%
2018	51.5%	51.4%	45.5%	24.7%	82.4%	38.8%	70.5%	68.3%	72.0%	62.0%	59.6%	78.8%	33.8%	46.6%	38.9%	31.6%	51.5%

Source: FPUR107 (Community Impact)

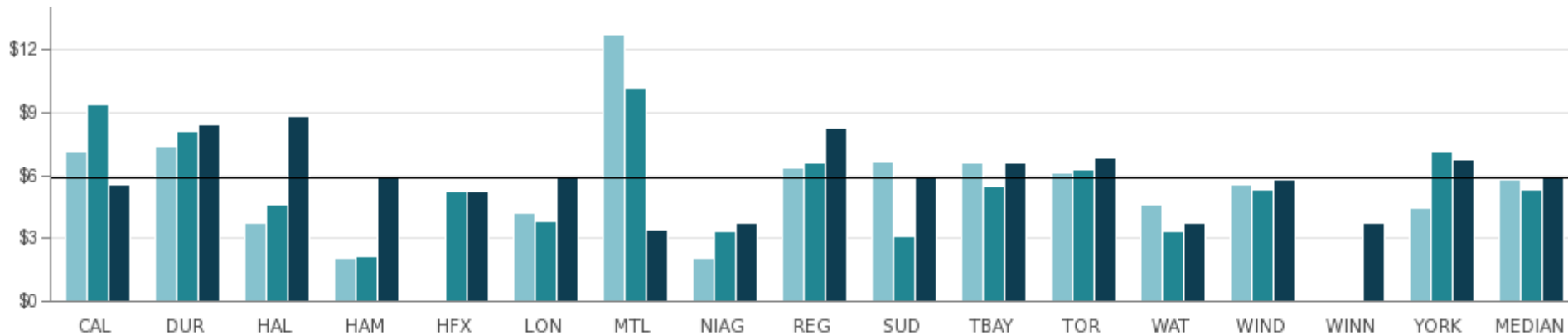
Halton: Results fluctuate based on procurement awards which reflect budget plans and project values from year to year compared to timing of reporting expenses incurred as required for Financial Information Reporting (FIR) purposes. This result is higher in years where large capital tenders are awarded.

Hamilton: Variance resulting from an exceptionally large dollar value award of 4 Requests For Proposal (RFP) and 3 Requests For Tender (RFT) in 2017.

## Purchasing

### Figure 27.2 Operating Costs for Centralized Purchasing per \$1,000 Municipal Purchases (Operating and Capital) for Goods and Services Through a Procurement Process

This measure reflects the operating cost for providing centralized purchasing services. The results for this measure can be impacted by fluctuations in annual operating purchases, the award and/or completion of contracts for large multi-year capital projects and/or varying procurement requirements from year to year.



2016	\$7.16	\$7.41	\$3.71	\$2.08	N/A	\$4.18	\$12.76	\$2.01	\$6.38	\$6.69	\$6.57	\$6.10	\$4.60	\$5.55	N/A	\$4.45	\$5.83
2017	\$9.40	\$8.12	\$4.62	\$2.14	\$5.27	\$3.82	\$10.18	\$3.34	\$6.56	\$3.10	\$5.52	\$6.25	\$3.32	\$5.30	N/A	\$7.14	\$5.30
2018	\$5.60	\$8.47	\$8.81	\$5.92	\$5.26	\$5.87	\$3.37	\$3.72	\$8.31	\$5.87	\$6.59	\$6.81	\$3.70	\$5.83	\$3.76	\$6.72	\$5.87

Source: FPUR362 (Efficiency)

**Halton:** This measure is largely affected by the total value of procurement awards that fluctuate based on budget plans and project values from year to year. This result is lower in years where large capital tenders are awarded.

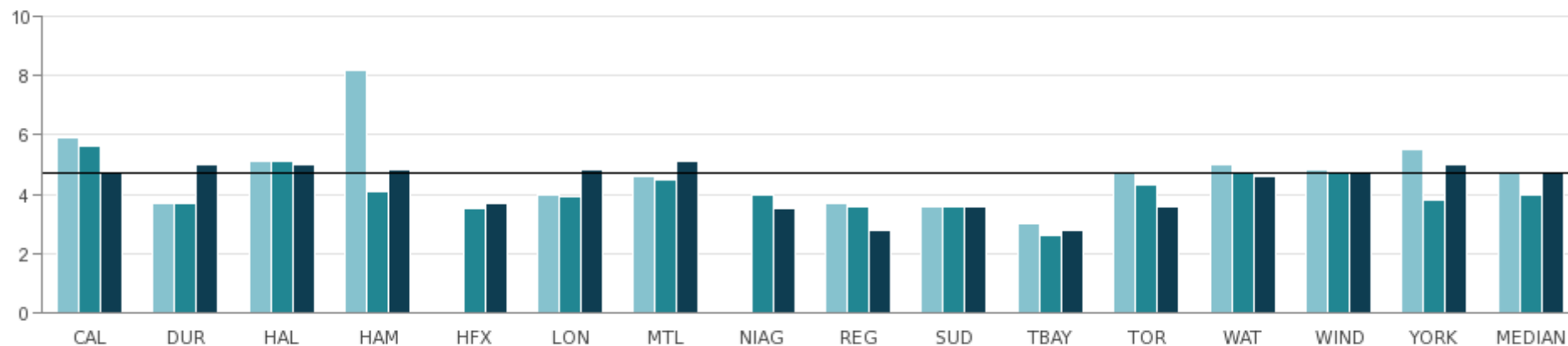
**Hamilton:** Variance resulting from an exceptionally large dollar value award of 4 Request For Proposal (RFPs) and 3 Request For Tender (RFTs) in 2017.

**Montreal:** An exceptionally high value of contracts awarded in 2018 and a reorganization in the Purchasing Department have driven down the indicator value.

## Purchasing

### Figure 27.3 Average Number of Bids per Bid Call

The types of tenders issued and general economic conditions can impact the number of bids received.



2016	5.9	3.7	5.1	8.2	N/A	4.0	4.6	N/A	3.7	3.6	3.0	4.7	5.0	4.8	5.5	4.7
2017	5.6	3.7	5.1	4.1	3.5	3.9	4.5	4.0	3.6	3.6	2.6	4.3	4.7	4.7	3.8	4.0
2018	4.7	5.0	5.0	4.8	3.7	4.8	5.1	3.5	2.8	3.6	2.8	3.6	4.6	4.7	5.0	4.7

Source: FPUR415 (Customer Service)

Winnipeg: Is unable to report on this measure at this time.

