Agenda – Executive Policy Committee – July 15, 2020

REPORTS

Item No. 3 **Update on the Results of the Revisions to the Materials Management Policy regarding the Chief Administrative Officer (CAO) authorizing participation in Cooperative Purchasing Contracts and entering into Agreements with other Public Sector Entities**

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

That this Report be received as information.

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On June 18, 2020, the Executive Policy Committee granted an extension of time of 30 days for the Winnipeg Public Service to report back on the matter.

COUNCIL DECISION:

On December 12, 2019, Council concurred in the recommendation of the Executive Policy Committee and adopted the following:

1. That revisions to the Materials Management Policy, attached as *Amendment to the Materials Management Policy*, be approved, effective upon approval by Council.

2. That the Winnipeg Public Service report back to the Executive Policy Committee in 180 days with an update on the matter.

3. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

ADMINISTRATIVE REPORT

Title: Update on the Results of the Revisions to the Materials Management Policy regarding the Chief Administrative Officer (CAO) authorizing participation in Cooperative Purchasing Contracts and entering into Agreements with other Public Sector Entities

Critical Path: Executive Policy Committee

AUTHORIZATION

Author	Department Head	CFO	CAO
B. D'Avignon, Manager of Materials	P. Olafson	P. Olafson, Interim CFO	M. Ruta, Interim CAO

EXECUTIVE SUMMARY

On December 3, 2019, the Executive Policy Committee directed the Winnipeg Public Service to report back in 180 days with an update on the revisions to the Materials Management Policy regarding the Chief Administrative Officer (CAO) authorizing participation in cooperative purchasing contracts and entering into agreements with other public sector entities.

The Province of Manitoba (Province) approached the City of Winnipeg with various opportunities to participate cooperatively under a group buying agreement with the Province and other public sector entities.

Savings anticipated to commence in Q4 2020 include:

- $600,000 annually, or an estimated $1.5 million, over the life of the agreement for *Cellular Wireless and Cellular Data Service*;
- $145,000 annually or an estimated $725,000 over the life of the initial five-year agreement for *IT Workstations and Main Peripherals*;
- $9,000 annually for *Sandbags*, dependent upon conditions.

RECOMMENDATIONS

That this Report be received as information.

REASON FOR THE REPORT

On December 12, 2019, Council concurred in the recommendation that the Winnipeg Public Service report back to the Executive Policy Committee in 180 days with an update on the matter. On June 18, 2020, an extension of 30 days was granted by the Executive Policy

Committee. This report is providing an update on the results to date from delegations of authority made to the Chief Administrative Officer as it relates to cooperative contracts.

IMPLICATIONS OF THE RECOMMENDATIONS

There are no implications to receiving this Report as information.

HISTORY/DISCUSSION

On December 12, 2019, Council concurred in the recommendation of the Executive Policy Committee and adopted the following:

1. That revisions to the Materials Management Policy, attached as Amendment to the Materials Management Policy, be approved, effective upon approval by Council.

2. That the Winnipeg Public Service report back to the Executive Policy Committee in 180 days with an update on the matter.

3. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Included in the revisions were two new delegations of authority related to cooperative contracts:

- to approve participation in cooperative contracts with other public sector entities where the participation in a particular contract is in the City's best interest, even if such participation may not strictly comply with the various trade agreements, in concurrence with Legal Services; and

- to negotiate and approve the terms and conditions to enter into an agreement necessary to give effect to or establish the relationship of the City with the public sector body or group who will subsequently participate in a cooperative contract.

The following describes the results to date of the two delegations of authority:

<u>Buying Group Agreements</u>
The City participates in Buying Group Agreements with the Province for particular products/services. There may be more than one commodity under any agreement.

For example, the City and the Province signed a Buying Group Agreement for *Hardware and Main Peripherals* to which the City added Flood Protection Equipment (Sandbags and 3" pumps) and a Computer Assisted Mass Appraisal System. This Agreement includes:

- IT Workstations and Hardware
- Sandbags
- 3" pumps
- Computer Assisted Mass Appraisal System

The only contract awarded by the City subsequent to this Agreement, to date, is for sandbags.

The IT Workstations and Hardware contract is underway.

The City, Province and other government entities are working on a *Master Buying Group Agreement* that will encompass most cooperative purchases. It is anticipated that the City will sign the *Master Buying Group Agreement* imminently.

Contracts completed/approved

On December 24, 2019, the City entered into a Contract with Gartner Canada Co., for *IT Advisory and Research Services* for the period of December 1, 2019 to November 30, 2020, in the amount of $264,492.00 CAD, pursuant to participation in a cooperative purchase with the Province. This contract was in compliance with the various trade agreements.

There are no actual cost savings with this contract as Gartner's Provincial and Municipal government pricelists are the same. Savings are realized by the City not issuing a separate tender for these services.

In June 2020, Council approved that the City enter into a Contract with Bell MTS, a division of Bell Canada, for *Cellular Wireless and Cellular Data Services* on December 1, 2020 pursuant to participation in a cooperative purchase with the Province.

This contract, combined with the City's previous investment in an Enterprise Mobility Management platform is projected to offer savings exceeding $600,000 annually, or an estimated $1.5 million over the life of the agreement, which expires May 21, 2023 with the option of two one year extensions.

In March 2020 Sandbags were awarded as a cooperative contract resulting from participation in a Provincial tender. The potential savings are $9,000 annually, dependent on usage.

Contracts/Savings investigating for future participation/award

It is anticipated that an administrative report will be presented on a Contract for the Supply and Delivery of IT Workstations and Main Peripherals by November 2, 2020 pursuant to participation in a cooperative purchase with the Province. This contract is projected to offer savings estimated at $145k annually or an estimated $725k over the life of the initial five-year agreement, with the option of two one-year extensions.

The City is in ongoing discussions with the Province regarding the cooperative purchase of Fuel (Diesel/Gasoline).

The City and Province are looking at combining the purchase of light and heavy fleet vehicles, vehicle repair parts and asset management software through the Province's Vehicle and Equipment Maintenance Agency. The possibility of combining insurance services is part of the investigation into fleet operations.

Finally, the City and Province are also in discussions relative to the cooperative purchase of janitorial and heating, ventilation and air conditioning services.

FINANCIAL IMPACT

Financial Impact Statement **Date:** June 29, 2020

Project Name:

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Comments:

There are no financial implications to receiving this report as information.

(Original signed by T. Yanchishyn)
Tanis Yanchishyn
Manager of Finance (Campus)
Corporate Finance Department

CONSULTATION

In preparing this report there was consultation with:

N/A

OURWINNIPEG POLICY ALIGNMENT

01-3 Prosperity Direction 1 Provide Efficient and Focused Civic Administration and Governance

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

N/A

SUBMITTED BY

Department: Corporate Finance
Division: Materials Management
Prepared by: B. D'Avignon
Date: June 29, 2020
File No.: N/A