Minutes – Executive Policy Committee – September 16, 2025

REPORTS

Item No. 4 Collaboration and Efficiencies in the City's Purchasing and Ordering Process

EXECUTIVE POLICY COMMITTEE DECISION:

The Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and received the report as information.

DECISION MAKING HISTORY:

Moved by Councillor Browaty,

That the recommendation of the Winnipeg Public Service be concurred in.

Carried

COUNCIL DECISION:

On January 29, 2025, Council adopted the 2025 Preliminary Operating Budget, which included the following recommendation:

1. That the following recommendations with respect to the 2025 Preliminary Operating Budget be approved by Council:

    S. That, in order to leverage bulk discounts, achieve operational efficiencies, align procurement efforts, and utilize public sector buying groups, the Public Service:

        i. explore collaboration with the Province of Manitoba and Manitoba Hydro, related to fleet acquisitions and rentals; and/or

        ii. explore bulk buying, public procurement options, and public sector buying groups; and

        iii. report back in 210 days to the appropriate committee of Council on options including adapting policy for Council approval, implementation of administrative standard, and identify any cost saving measures/efficiencies that could be achieved.

ADMINISTRATIVE REPORT

Title: Report on Collaboration and Efficiencies in the City's Purchasing and Ordering Process

Critical Path: Executive Policy Committee

AUTHORIZATION

Author	Department Head	CFO	CAO
H. Hasiuk, M. Giles	T. Graham	T. Graham	J. Dunford

EXECUTIVE SUMMARY

Through the 2025 Adopted Budget, the Public Service was directed to:

i. explore collaboration with the Province of Manitoba and Manitoba Hydro on fleet acquisitions and rentals;
ii. explore bulk buying, public procurement options, and public sector buying groups; and
iii. report back to the appropriate committee of Council on the results.

Collaboration with Province on Fleet Acquisitions

The Province of Manitoba ("the Province") is a member of the New West Partnership Agreement. Under this agreement, the Province buys vehicles straight from vehicle manufacturers. However, this buying arrangement is subject to manufacturer discretion. At present, only provincial departments qualify for this specific arrangement. The City is not eligible to take part in it. The Public Service is exploring potential partnerships with the Province on this, and other, fleet purchases.

Bulk Buying and Group Purchasing

The Public Service currently uses group buying programs. One example of this is the Canoe Procurement Group of Canada. Canoe is one of the largest public buying groups in Canada. It helps over 6,000 public and non-profit groups across the country.

Using Canoe can save the City money by giving access to more vendors. Total financial savings cannot be firmly predicted, as savings can vary from purchase to purchase. The Public Service does expect savings, however. An additional benefit of using Canoe is time saved in purchase processes. Using Canoe reduces time spent to purchase goods, typically by two to three weeks compared to traditional procurement. This faster process means less waiting for materials to arrive. Shorter wait times translate to less downtime in operations. It can also avoid extra repair expenses while waiting for new equipment. To date, the City has used Canoe for 15 different purchases.

The Public Service has joined several of the Province's buying groups. The Public Service is also working with the Province to find ways to achieve joint savings and efficiencies.

The City's current policies and standards allow for the use of buying groups. No changes are needed to keep using these options. Further, purchasing through buying groups is allowed by the free trade agreements that apply to the City.

RECOMMENDATIONS

1. That this report be received as information.

REASON FOR THE REPORT

On January 29, 2025, Council directed:

1.S. That, in order to leverage bulk discounts, achieve operational efficiencies, align procurement efforts, and utilize public sector buying groups, the Public Service:

i. explore collaboration with the Province of Manitoba and Manitoba Hydro, related to fleet acquisitions and rentals; and/or

ii. explore bulk buying, public procurement options, and public sector buying groups; and

iii. report back in 210 days to the appropriate committee of Council on options including adapting policy for Council approval, implementation of administrative standard, and identify any cost saving measures/efficiencies that could be achieved.

IMPLICATIONS OF THE RECOMMENDATIONS

There are no implications to receiving this report as information.

HISTORY/DISCUSSION

Collaboration with Province on Fleet Acquisitions

The Province of Manitoba ("the Province") manages its fleet purchases through its purchasing and fleet management services (FMS). FMS is part of an inter-provincial purchasing group under the New West Partnership Agreement. This purchasing group is allowed to purchase vehicles directly from their manufacturers. This ability is offered at the sole discretion of manufacturers.

The Public Service has been informed that vehicle manufacturers restrict accreditation to provincial governments. As such, the City of Winnipeg is not currently eligible to purchase directly from manufacturers. The Public Service has been informed that Manitoba Hydro is also not eligible to participate in this arrangement.

Despite what is noted above, the Public Service continues to work with the Province to explore joint activities to achieve savings on vehicle purchases, fuel, parts, maintenance and other fleet-related costs.

Bulk Buying and Group Purchasing

The Public Service currently uses the following practices to leverage bulk discounts, achieve operational efficiencies, align procurement efforts, and utilize public sector buying groups:

- Prior to tendering or contracting with vendors, the Purchasing Division of Corporate Finance determines the total amount of product required for all departments. These are then set up as corporate contracts. This allows the City to get bulk pricing options and aligns procurement efforts across the Public Service.

- Corporate contracts are set up so departments can buy when needed. This creates operational efficiencies by reducing the purchase of large amounts of inventory in advance, which reduces the cost of storage and the risk of theft from large inventories.

- Purchase requests are tendered as per Council's Purchasing Policy (F1-003) requirements. Tendering ensures all potential vendors have an opportunity to put in a bid, providing an open and transparent process. It also allows the City to get the most advantageous offer or lowest bid on its purchases.

- Construction purchases are done by public tendering.

- Centralized purchasing requires that all purchases over $10,000 must be processed through the Purchasing Division. This ensures each purchase will be made using the best possible method and aligns procurement efforts.

- Public sector buying groups are used where best for the City. The Public Service currently operates through the following buying groups:

  Canoe Procurement Group of Canada ("Canoe") – Canoe is one of the country's largest public sector buying groups, serving over 6,000 municipalities, public sector entities, and not-for-profit organizations across Canada. Through Canoe, public sector entities combine their buying power, creating an economy of scale that benefits members of any size, enabling them to secure better value for goods and services.

  Using Canoe allows the City to save time and resources in its procurement process. Public procurement requires an extensive tendering process to ensure compliance with regulatory standards and best practices, which can be time and resource intensive. Canoe streamlines this process by managing the tendering and standing offer contracts on behalf of all members. By being part of this buying group, the City can access high-quality, compliant contracts, thereby saving time and resources while maintaining value and quality. It can shorten the purchasing cycle by two to three weeks, compared to traditional procurement. Shorter wait times translate to less downtime in operations. It can also avoid extra repair expenses while waiting for new equipment.

  Canoe currently has access to more than 400 suppliers approved to do business in Manitoba. To date, the City has used Canoe for 15 different procurements. Some types of purchases made through this buying group over the past number of years include loaders, fire prevention inspection systems, vehicles, vehicle parts, and graders. The use of Canoe also assisted the City in getting required inventory while experiencing supply chain problems.

Province of Manitoba Buying Group – The Province currently has a number of committees and groups working together to strategically advance collaborative procurement. After several years' absence, the City has recently rejoined these groups. This allows the Public Service to leverage the buying power of the Province and access to existing contracts negotiated by them, where appropriate. Examples of goods purchased through these groups include cellphone service, and more recently, fuel.

Canadian Collaborative Procurement Initiative (CCPI) – This is the Federal Government buying group. Aviation fuel is purchased through this group.

For both the Provincial and Federal buying groups, they will notify the City of the contracts they are negotiating. The City can opt in or out of the proposed contract. In this way, the Public Service only uses the process for contracts that are beneficial to the City.

Besides being part of the above groups, the City has also been actively engaging with the Province in recent months to find ways to achieve savings in their purchasing processes. The City has:

- met with the Province's purchasing team to discuss cost saving ideas; and
- set up a focus group to actively and collectively look for ways to manage fleet costs, including vehicle purchases, fuel, parts, maintenance, and other fleet-related items. The focus group will also share key performance indicators that may help to right-size fleets, reduce idling, and other efficiencies.

These are open discussions that are considering all options for improvement and cost savings, including the City's eligibility under the New West Partnership Agreement and working with Manitoba Hydro, where applicable.

<u>Policies and Standards</u>

The City's current policies and standards currently include wording that allows the Purchasing Division to leverage bulk discounts, achieve operational efficiencies, align procurement efforts, and utilize public sector buying groups.

Section B5.1 of Council's Purchasing Policy includes consideration for using buying groups (labeled, "cooperative contracts"). Cooperative contracts:

- arise through a solicitation conducted by the City, which may include another public sector body, or a group composed of two or more thereof; or
- arise through a solicitation conducted by another public sector body, or a group composed of two or more thereof, which includes the City as a party to the contract or allows the City to contract under the same terms and conditions.

Administrative Standard FM-002 (Supplement to the Purchasing Policy) states the City's fiscal goals for purchasing are:

- Use reduction; buy only what is needed to accomplish the procurements' goal
- Product performance and quality
- Leveraging buying power
- Impact on employee time and labour
- Long-term financial/market changes

The Administrative Standard notes that, while not all factors will be incorporated into every purchase, the intent is that the City will make a good faith effort to incorporate and balance these factors to the maximum extent possible.

Besides these policies and standards, the information noted above is used as a best practice across the Public Service, as contracts available on Canoe or other buying groups and corporate contracts are emailed directly to contract administrators via the corporate purchases shared email group.

The Public Service values proper stewardship of taxpayer dollars. The Public Service strives to use best practices, such as bulk quoting and buying groups, to achieve savings for the City where and when possible. As this is current practice, no policy or administrative standard changes are required to continue these actions.

The procurement process is in accordance with the Canadian Free Trade Agreement (CFTA) and the New West Partnership Trade Agreement (NWPTA). The CFTA and the NWPTA permit the procurement of goods and services through a buying group. The City has provided notice of participation in buying group programs available to municipalities through the Canoe Procurement Group of Canada, which is requirement under the CFTA. Further, the Canoe Procurement Group of Canada states that its procurement processes comply with the CFTA and the NWPTA. Canoe Procurement Group of Canada runs open, competitive procurement processes.

FINANCIAL IMPACT

Financial Impact Statement

Date: July 18, 2025

Project Name:
Report on Collaboration and Efficiencies in the City's Purchasing and Ordering Process

COMMENTS:

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

Randy Bernard

Randy Bernard, CPA
Manager of Finance & Administration (Campus)
Corporate Finance Department

CONSULTATION

This Report has been prepared in consultation with:

- Corporate Finance (Purchasing Division)
- Fleet Management Agency

OURWINNIPEG POLICY ALIGNMENT

Leadership and Good Governance

1.1 Organizational Alignment
All City policy implementation and enforcement tools must be aligned with the localized United Nations Sustainable Development Goals framework, consisting of Leadership and Good Governance; Environmental Resilience; Economic Prosperity, Good Health and Well-Being; Social Equity; and City Building contained in this Plan.

1.5 Evidence-Informed Decisions
Invest in data and technology in order to support objective, evidence-informed decision-making; support open government and open data principles for collection and sharing; help coordinate records and information management; and improve process efficiency, results-based service delivery and accountability.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Consideration was given as to whether this report connects to the Winnipeg Climate Action Plan (CLA) and its Goals and Objectives, and it was determined that the CLA is not applicable to this specific report.

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

Consideration was given as to whether this report connects to the Winnipeg Poverty Reduction Strategy (PRS) and its Goals and Objectives, and it was determined that the PRS is not applicable to this specific report.

SUBMITTED BY

Department: Corporate Finance
Division: Office of the CFO
Prepared by: Helen Hasiuk, Manager of Financial Reporting & Accounting Services
Micheal Giles, Business Architect
Date: July 21, 2025