



THE REGIONAL MUNICIPALITY OF NIAGARA
PROCUREMENT ADVISORY COMMITTEE
AGENDA

PAC 1-2019

Monday, March 11, 2019

1:00 p.m.

Council Chamber

Niagara Region Headquarters, Campbell West

1815 Sir Isaac Brock Way, Thorold, ON

Pages

1. CALL TO ORDER
2. DISCLOSURES OF PECUNIARY INTEREST
3. SELECTION OF COMMITTEE CHAIR AND VICE CHAIR
 - 3.1 Call for Nominations for Committee Chair
 - 3.2 Motion to Close Nominations for Committee Chair
 - 3.3 Voting for Position of Committee Chair
 - 3.4 Call for Nominations for Committee Vice-Chair
 - 3.5 Motion to Close Nominations for Committee Vice-Chair
 - 3.6 Voting for Position of Committee Vice-Chair
4. PRESENTATIONS
 - 4.1 Procurement Modernization: Timeline and Accomplishments
Bart Menage, Director, Procurement & Strategic Acquisitions
To be distributed.
5. DELEGATIONS

6. ITEMS FOR CONSIDERATION

- | | | |
|-----|---|---------|
| 6.1 | <u>PAC-C 1-2019</u>
Proposed Amendments to Procurement Advisory Committee Terms of Reference | 3 - 9 |
| 6.2 | <u>PAC-C 2-2019</u>
Proposed Procurement Work Plan 2019-2020 | 10 - 13 |
| 6.3 | <u>PAC-C 3-2019</u>
2019 Meeting Schedule | 14 |

7. CONSENT ITEMS FOR INFORMATION

8. OTHER BUSINESS

9. NEXT MEETING

The next meeting will be held at the call of the Chair.

10. ADJOURNMENT

If you require any accommodations for a disability in order to attend or participate in meetings or events, please contact the Accessibility Advisory Coordinator at 905-980-6000 (office), 289-929-8376 (cellphone) or accessibility@niagararegion.ca (email).

Subject: Proposed Amendments to the Procurement Advisory Committee Terms of Reference

Report to: Procurement Advisory Committee

Report date: Monday, March 11, 2019

Recommendations

That the Committee **APPROVE** the proposed amendments to the Terms of Reference for the Procurement Advisory Committee as outlined in Appendix 1.

Key Facts

- The purpose of this report is to seek Committee approval for proposed amendments to the Terms of Reference in accordance with Section 11 of the current Terms of Reference which suggests that they should be reviewed and refined at a minimum of every four years to ensure that they remain current and meaningful.
- Aside from minor housekeeping and formatting and other changes to Sections, more substantive amendments are being proposed for Section 3: Responsibilities and Section 5: Meetings.

Financial Considerations

Not Applicable.

Analysis

The Public Works Bidding Process Evaluation Review Committee was formed and met initially on Sept 23, 2013. Draft Terms of Reference were received for information at this time.

At that time, the mandate set out by Council and outlined in the draft Terms of Reference was that: *"This Committee shall assess and re-evaluate our existing grading, weighting and scoring matrix for all Public works projects and provide recommendations to improve the effectiveness and transparency of the bidding process"*

Recommendation 1 from CSD 49-2015 dated May 13, 2015 was approved to amend the committee name from the Public Works Bidding Process Evaluation Review Committee to the Procurement Advisory Committee. On June 30 of that year, the Committee approved the current Terms of Reference which expanded the focus of the original mandate to effectively include the broader procurement purview of the Corporation.

Terms of Reference Section 11 suggests that the Terms of Reference should be reviewed and refined at a minimum of every four years to ensure that they remain current and meaningful.

With the exception of minor housekeeping and formatting changes which have been incorporated and accepted, the remaining changes to the Sections including the more substantive amendments to Section 3 (Responsibilities) and Section 5 (Meetings) are reflected in the “red line” document appended to this report, specifically:

- Section 3 which now includes the addition of due consideration to trends related to challenges and opportunities for innovation in Public Sector Procurement and the inclusion of external delegates to address the committee on matters related to public procurement; and
- Section 5 which proposes that the frequency of scheduled meeting be increased from semi-annually to quarterly.

Alternatives Reviewed

The Committee may elect to maintain the current Terms of Reference however this would not be recommended by staff as the proposed amendments seek to increase the frequency of meetings and in addition to bringing greater clarity to the mandate of the committee. Alternatively, the committee may elect to incorporate further amendments to the proposed Terms of Reference. Matters outside of the mandate of this committee would be brought directly to Corporate Services Committee.

Relationship to Council Strategic Priorities

Procurement and its related activities are critical in maintaining taxpayer affordability.

Other Pertinent Reports

- CSD 49-2015 Procurement Advisory Committee, May 13, 2015
- PAC-C 1-2015 Procurement Advisory Committee, June 30, 2015

Prepared by:

Bart Menage, CSCMP, CRM
Director, Procurement & Strategic
Acquisitions
Enterprise Resource Management
Services

Recommended by:

Todd Harrison, CPA, CMA
Commissioner/Treasurer
Enterprise Resource Management
Services

Submitted by:

Ron Tripp, P.Eng.
Acting Chief Administrative Officer

This report was prepared in consultation with Jeffrey Mulligan, Manager, Strategic Sourcing and Tracie Byrne, Manager of Purchasing Services.

Appendices

Appendix 1

Proposed Red Line changes to Terms of Reference

Page 4

PROCUREMENT ADVISORY~~Procurement Advisory~~ COMMITTEE~~Committee~~
TERMS OF REFERENCE~~Terms of Reference~~

1. Background & Preamble

The Bidding Process Evaluation Review Committee was established by direction of Regional Council in April 2011, to review the bidding and/ evaluation process for awarding Public Works projects and make recommendations on ways of improving its effectiveness and transparency.

In 2015 the Committee, for a variety of reasons, was repositioned to take on an expanded role and review procurement matters on an organization-wide basis. Due to this new focus the Committee's name was changed to the Procurement Advisory Committee (PAC). The PAC operates in accordance with these terms of reference.

2. Mandate

The Committee's mandate is to:

- a) Review the Procurement By-law and recommend changes as necessary.
- b) Review and provide feedback on processes and procedures involving procurement.

3. Responsibilities

The Committee will:

- a) Recommend to the Corporate Services Committee and Regional Council any potential changes to the Procurement By-law.
- b) Review Niagara Region's procurement processes and procedures including such matters as bid solicitation and methodology, and evaluation methodology.
- c) Give due consideration to procurement related trends related to challenges and opportunities for innovation in Public Sector Procurement including but not limited to legislative changes and their impact in the aforementioned (3a and 3b)
- e)d) Additionally, the ~~The~~ Committee may from time to time hear from Niagara Region staff or external delegates on public procurement matters, initiatives and trends including those identified above, delegations on the Procurement By-law or Niagara Region's procurement processes or procedures.

4. Composition

The Committee will be comprised of a minimum of three ~~members of Regional Council~~ to a maximum of eight members of Regional Council.

The Committee shall appoint from the membership a Chair and Vice-Chair at its first meeting. All members of the Committee shall be allowed a vote. There shall be no compensation payable to the members of the Committee.

The following members of staff will serve as resources for the work of the Committee:

- (i) The Commissioner of Enterprise Resource Management Corporate Services (or designate);
- (ii) The Commissioner of Public Works (or designate);
- (iii) The Director of Procurement and Strategic Acquisition;
- (iv) The Director of Legal and Court Services; and
- (v) Any additional members of staff who from time to time may be required.

~~Additional members of staff may be present from time to time as needed.~~

5. Meetings

The meetings of the PAC are public. Meetings shall be held quarterly ~~semi-annually~~ or at the call of the Chair for special issues or circumstances. Meetings shall be governed by the Region's Procedural By-law, being a by-law to govern the calling, place and proceedings of the meetings of Council and its Committees, as may be amended from time-to-time.

6. Reporting Structure

The PAC will report to Regional Council through the Corporate Services Committee.

7. Committee Work Plan

The PAC will provide guidance to staff in the development of an annual work plan identifying the specific initiatives and activities to be undertaken within each of the areas of focus, inclusive of budget needs, to further guide decision-making and resource management.

8. Term

The term of membership shall be four years, concurrent with Regional Council's elected term of office, and the membership shall be approved by Council in accordance with membership requirements in the Terms of Reference.

~~9. Roles~~ ~~OLES~~ & ~~Responsibilities~~ **ESPONSIBILITIES**

~~10.9.~~

Chair & Vice Chair

A Chair and Vice Chair will be elected from Committee members on a biannual basis at the first meeting of the New Year to preside over meetings and Committee business.

It is the role of the Chair to preside over Committee meetings so that its business can be carried out efficiently and effectively, and to act as a liaison between the Committee, the Corporate Services Committee and Regional Council.

It is the role of the Vice Chair to preside over Committee meetings in the absence of the Chair and to perform any other duties delegated by the Chair or as assigned by the Committee through a majority vote.

Committee Members

All PAC members, including the Chair and Vice Chair, have the responsibility to help achieve the PAC's Mandate and Responsibilities. Committee members are also responsible for:

- Reviewing meeting materials in advance of the meetings and arrive prepared to provide a broad perspective on the issues under consideration;
- Working diligently to complete assigned activities;
- Participating on working groups, as appropriate;
- Agreeing to describe, process and resolve issues in a professional and respectful manner;
- Providing input ~~to~~ into help the identification of ~~identify~~ future projects or strategic priorities which will form the basis of ~~for~~ future years' work; and

- Communicating activities of the Committee to groups represented or those who may have an interest and offer information back to the Committee.

11.10. Absenteeism~~BSENTEEISM~~

Members who miss three unauthorized consecutive meetings shall be deemed to have resigned from the Committee and will be notified of this in writing by the Committee Chair.

12.11. Amendments~~MENDMENT to the Terms of ReferenceS TO THE TERMS OF REFERENCE~~

The Terms of Reference should be reviewed and refined at a minimum of every four years to ensure that they remain current and meaningful.

Proposed amendments to the ~~Proposals to amend the~~ Terms of Reference shall require the approval of a majority of the Procurement Advisory Members present and those amendments if approved will ~~members present. Proposed amendments to the Terms of Reference~~ ~~shall~~ be submitted to Regional Council for approval through the Corporate Services Committee. Amendments to the Terms of Reference ~~and~~ shall take effect only upon the approval of Council.

Subject: Proposed Procurement 2019-2020

Report to: Procurement Advisory Committee

Report date: Monday, March 11, 2019

Recommendations

1. That the Committee **APPROVE** the proposed 2019-2020 Work Plan for the Committee.
2. That the Committee **DIRECT** staff to report back on topics selected by the Committee for further investigation

Key Facts

- The purpose of this report is to seek approval from the Procurement Advisory Committee on the proposed 2019-2020 Procurement Work Plan and as by doing so ensure the Committee and Council are receiving relevant information related to procurement initiatives.
- Niagara Region's practices in procurement have undergone a number of significant changes in the past four years, and while Procurement has been previously guided by the tasks as approved by Council in CSD 72-2016, there are a number of areas which should remain the focus for Procurement going forward.

Financial Considerations

Not Applicable.

Analysis

In September 2017, the previous Committee approved the 2017-2018 Procurement Work Plan (PAC-C 1-2017) which identified a number of areas that would be the focus for Procurement. That report also sought direction from the previous Committee on additional areas which could be included in the Work Plan to ensure that this Committee and ultimately Council were receiving relevant information related to procurement initiatives. This report consolidates information from that initial Work Plan and feedback from the Committee.

In November 2017, the previous Committee approved an amendment to the 2017-2018 Work Plan (PAC-C 2-2017) which accelerated the following specific Work Plan items: eProcurement Software Solutions strategy and Negotiated RFP template and procedures, respectively.

The Work Plan is grounded in the guiding principles of sustainability by assessing the strategies, resources and technology required to facilitate innovation, continuous improvement and governance. This latest rendition of the proposed Work Plan builds on previous successes including the achievement of 2017/18 action items.

Procurement is confident that the Work Plan items identified herein represent a continuation of this modernization and transformation process which will further serve to strengthen the Niagara Regions' procurement function. The ongoing review, consideration and development of policies, procedures, processes and technologies will further improve the process by which goods, services and construction are procured.

Procurement remains committed to continually drive efficiencies in our process to reduce procurement cycle times via streamlined and technology-enabled processes and that, coupled with corporate savings achieved through strategic sourcing and leveraging spend ensure that value for money outcomes will effectively contribute to the Region's long-term sustainability.

The Work Plan also considers a communications plan targeting all stakeholders who will serve to support the ongoing implementation of the strategy including: staff updates, briefing packages, training and education sessions (for all stakeholders) including the utilization of Niagara Region resources such as the internal intranet (The Vine) and Niagara Region's website.

Given the aforementioned, Procurement is proposing that the following key items be undertaken as part of its 2019 – 2020 Work Plan:

1. E-Bidding Phase II: Continued migration to electronic bidding including a gradual implementation path based on each procurement type; one which provides consideration to lessons learned with full transition to electronic submissions by the end of 2019. *Timeline – Q4 2019*
2. Procurement Templates: In support of Work Plan item 1, a continued conversion of all templates to a format which is conducive to e-Bidding. *Timeline – Q2 2019*
3. Procurement By-law: With the recently approved Procurement By-law amendments (February 2109), Procurement will consider further changes to the Procurement By-law including consultation and planning with industry, peers and stakeholders; internal (staff) and external (GNCC, NPPC and NCA etc.) *Timeline – Ongoing with complete by Q4 2019/Q1-2020*
4. Negotiated RFP: With the recently approved Procurement By-law amendments (February 2019) introducing this process; finalize templates and procedures. *Timeline – Q3 2019*

-
5. Ongoing developing of quarterly spend analytical reports to identify opportunities, drive savings and compliance. *Timeline – Q4 2019*

With regards to a consideration item from the previous Committee related to engaging local contractors more effectively and improving supplier relationships, Procurement continues to represent Niagara Region in these broader collaborative discussions with various stakeholder groups including the Public Procurement for Local Prosperity Committee (PPLP), Niagara Public Purchasing Committee (NPPC), Niagara Construction Association (NCA) and other industry associations and partners.

As part of its proposed Work Plan, staff will specifically report back to the Committee on Work Plan item 3 for input and approval. Other items may be brought back to Committee for input, approval or general update.

Other items that could be considered by the Committee:

- Undertaking Procurement Procedure Review and Documentation;
- Reviewing and implementing changes to the RFP Evaluation Process;
- Vendor and/or Contract Management;
- PO and Project contingencies, procurement practices and cost overruns; and
- Continuing the tasks outlined in CSD 72-2016 which relates to training and involvement in key corporate initiatives.

Alternatives Reviewed

There are no other alternative Work Plans, however Committee can amend the Work Plan.

Relationship to Council Strategic Priorities

Procurement and its related activities are critical in maintaining taxpayer affordability.

Other Pertinent Reports

- CSD 72-2016
- PAC-C 1-2017
- PAC-C 2-2017

Prepared by:

Bart Menage, CSCMP, CRM
Director, Procurement & Strategic
Acquisitions
Enterprise Resource Management
Services

Recommended by:

Todd Harrison, CPA, CMA
Commissioner/Treasurer
Enterprise Resource Management
Services

Submitted by:

Ron Tripp, P.Eng.
Acting Chief Administrative Officer

*This report was prepared in consultation with Jeffrey Mulligan, Manager of Strategic Sourcing
and Tracie Byrne, Manager of Purchasing Services.*

MEMORANDUM

PAC-C 3-2019

Subject: Procurement Advisory Committee 2019 Meeting Schedule

Date: March 11, 2019

To: Procurement Advisory Committee

From: Ann-Marie Norio, Regional Clerk

The following is a list of proposed 2019 meetings dates for consideration by the Committee. If required, additional meetings can be scheduled at the call of the Chair.

Monday, June 10

Monday, September 9

Monday, November 11

If Committee is in agreement with the proposed schedule, the following motion would be in order:

*That the Procurement Advisory Committee meetings **BE HELD** on the following dates in 2019:*

June 10, September 9 and November 11.

Respectfully submitted and signed by

Ann-Marie Norio
Regional Clerk