



Corporate Services
Procurement Service Department
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December 15, 2014

**CORPORATE SERVICES COMMISSION – PROCUREMENT SERVICES DEPARTMENT
INFORMATION REPORT 2014-55**

TO: Mayor Van Bynen
Members of Council
Chief Administrative Officer
Commissioners
Directors

SUBJECT: Electronic Bid Submission and Contractor Performance

ORIGIN: Manager, Procurement Services

COMMENTS

With the support of both SLT and OLT, and after eighteen (18) months of planning and research, the Procurement Services Department, in October, 2014 began receiving electronic bid submissions **only** through our Bidding System. Newmarket is one of the first municipalities in Ontario to implement e-bidding. Christine Wood, Procurement Officer has been instrumental in the implementation of the e-bidding process. This process included a new Procurement bylaw # 2014-27 to permit e-submissions which was approved by Council in May 2014. Bid templates were updated with a review performed by both external and internal legal counsel, other professional associations were also consulted, such as the Surety Association of Canada and Newmarket Chamber of Commerce. Three (3) test bids were launched and advertised through the Bidding System and our local businesses with the assistance of the Newmarket Chamber of Commerce.

To date, Procurement Services has closed over fifteen (15) Procurement bids by electronic bid submission. Surveys conducted with the Vendors, following the bid closing were very positive. The electronic bid submissions has also resulted in **100% compliant bids to date**, as the Bidding System does the mathematical calculations and a Bidder cannot submit unless they have acknowledged all addendums issued.

Some additional improvements suggested by our Vendors will be implemented in early 2015.

In addition to the e-bidding system, the new Procurement bylaw included a new Contractor Performance policy, which made it mandatory for staff to complete a Performance Evaluation for all publicly bid projects. The Procurement staff has commenced mandatory training sessions for staff on this new policy and to ensure all staff understand their new responsibilities. This training should be completed by December 15, 2014. The new policy included the provision for a suspension for two (2) years for unacceptable performance and an incentive for Vendors performing well for our multi-year contracts, by having the ability to award an additional two (2) years, at the contracted rates.

Procurement staff are also implementing and exploring the use of technology to track the Contractor evaluations and connect it with the Bidding System to track performance records of all Bidders submitting bids to Newmarket.

BUSINESS PLAN AND STRATEGIC PLAN LINKAGES

- Well-Equipped & Managed
- Well-Planned & Connected
- Well-Respected

CONSULTATION

SLT and OLT have been consulted with on the implementation of the Bidding System. Internal and External Legal Counsel have also been consulted.

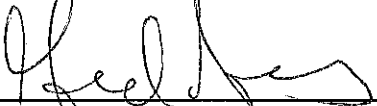
BUDGET IMPACT (CURRENT AND FUTURE)

Operating Budget and Capital Budget


The Procurement Services Department is planning to commence charging for all bids after some additional enhancements, suggested by our Vendors are made to the Bidding System in 2015,

The cost of these enhancements is budgeted in the draft 2015 Procurement budget as follows:

1. \$ 10,500.00 Bidding System but should be offset by an increase of new revenue estimated at \$ 35,000.00 annually.
2. \$ 7,500.00 for the Contractor Performance module



Gord Sears, CPPO, CPPB
Manager, Procurement Services
Corporate Services – Procurement Services Department



Anita Moore
Commissioner, Corporate Services