



City of
Peterborough

To: **Members of the General Committee**

From: **Sandra Clancy, Director of Corporate Services**

Meeting Date: **January 15, 2018**

Subject: **Report CPFS18-001**
City Procurement e-Tendering and e-Bidding System

Purpose

A report to inform Council that the City is implementing a new online e-Procurement system to administer the procurement of goods and services that will provide additional benefits for City staff as well as the City's vendors and proponents.

Recommendation

That Council approve the recommendation outlined in Report CPFS18-001 dated January 15, 2018, of the Director of Corporate Services, as follows:

That report CPFS18-001, informing Council that the City is entering into an agreement with eSolutions Group, 651 Colby Drive Waterloo, Ontario, N2V 1C2, to upload the City's bid solicitations, attachments, addendums and accept bids electronically using the e-Bidding portal, Bids and Tenders, as the sole distribution tool for the City's procurement documents, be received for information.

Budget and Financial Implications

There is no cost to the City to use Bids and Tenders distribution and e-Bidding services. Bids and Tenders uses a "vendor pay model" and is paid through membership fees from potential bidders. The annual membership fee is \$165, which is less than the \$250 annual fee paid to be a member of the City's existing e-tendering company.

Background

Why is this Report Coming to Council?

Through the City's Purchasing By-law 14-127 (4.2.1), the Director of Corporate Services has the delegated authority to enact this change in process, however, one of the City's purchasing objectives is a very open and transparent process and in that light, staff are providing this update to Council and the public.

Current Procurement Process

The City of Peterborough currently posts its procurement documents on Biddingo.com. Suppliers or potential bidders, who are interested in doing business with the City and other agencies, must register and pay an annual membership fee of \$250. Potential bidders download the documents, attachments, and addendums directly from Biddingo.com. Interested vendors then submit their bids, in paper copy, directly to the City. The City does not currently accept bids electronically.

The City wants to implement an e-Bidding platform which will improve and provide efficiencies to the procurement process. Bids and Tenders provide the tools to develop more effective submission and evaluation processes.

Benefits to the e-Bidding System

The e-Bidding System has four main components of service:

- e-Bidding Portal
- Bid Evaluation
- Contract Management
- Vendor Performance

e-Bidding Portal

The eSolutions' e-Bidding portal includes a web hosted system that provides City staff with the ability to manage the bid posting process from start to finish. The e-Bidding portal provides public access to all bids, addenda and all other associated bid details posted for both end users and vendors to see. Vendors will be able to create an account within the eSolutions' platform, manage their account and register for bids online. After registration, vendors are able to download and view any City of Peterborough bid document as well as any other public agency's document that is currently utilizing the eSolutions platform. Similar to the current process the City has with Biddingo, the eSolutions' e-Bidding portal will continue to issue several automated notifications and reminders to vendors interested in bidding on City of Peterborough projects.

The e-Bidding Portal module also facilitates online submission forms for vendors to upload their bids electronically. The online bids will include the ability for vendors to provide confidential pricing, bonding, references and subcontractor information. To further improve processing efficiencies, procurement staff will also be able to upload pricing tables generated in MS Excel format into the e-Bidding Portal. These forms can integrate necessary mandatory requirements and help ensure all submissions are compliant and on time. Checks and balances are incorporated within the system that will mitigate instances of incomplete or invalid bids.

The information and bid results submitted through the e-Bidding portal will further populate information within the three remaining components of the e-Bidding System as follows.

Bid Evaluation Module

Immediately after a bid closes, the bid results are available in real time (within seconds) with a tabulated view that indicates the lowest bidder overall and a side by side comparison of unit prices and lump sum costs. This module also aims to improve reporting of bid and proposal results, giving staff the ability to run reports such as:

- Estimated vs. Actual Budget costs for a bid solicitation
- Number of Tenders, Quotes, Proposals per Department with amounts
- Export full submission by vendor

There are a number of benefits resulting from the use of electronic bid submissions, especially with the bid evaluation module, some of which are:

- Reduces and eliminates bid irregularities and non-compliant bids (bids are always legible, no math errors or ability to miss unit prices, bids always received by the closing deadline)
- Allows downloading of electronically submitted tenders in a form suitable for evaluation purposes without having to manually re-enter data or sort through pages of documents
- Easier for vendors to obtain tender documentation and to submit an offer on time from anywhere
- Eliminates the need for vendors to personally deliver or courier their bids into the procurement office
- Reduces need and staff time required to manually evaluate and validate bids
- Reduces the overall environmental impact of paper based tendering processes

Contract Management Module

The Contract Management module allows City staff (City procurement staff as well as other City departmental staff) to manage corporate and departmental contracts in a central location for the entire organization. The centralized system provides a single location for staff to view all active and historical contract details. Contract reports can be run for a single department or for the entire organization. In addition to contract reporting, this module also provides notifications to staff for contract renewals and other elements of contract management that may need attention.

This module also has the ability to send out automated emails to vendors alerting them of their upcoming insurance and WSIB safety certificates renewals. The module allows vendors to upload their documents directly into the system for review by City staff.

Vendor Performance Management

The fourth component of the e-Bidding Solution is the Vendor Performance Management module which allows Procurement staff to setup an automated process to capture the required Vendor Performance Evaluation Forms as well as any Vendor Performance Incident Forms issued throughout the term of a contract. This will assist the City in setting up a more formal system to provide feedback to vendors on their performance.

This module will be set up so that the vendor evaluation score sheets can be applied to contracts and automatically initiated at a specified interval (e.g. on contract anniversary, or when the contract has reached substantial completion, or at the end of warranty). Workflow for the evaluations may be customized and configured by contract type to meet the specific and tailored needs of the City. The system has the ability to automatically forward the score sheets to the end user department and possibly auto route it to the appropriate supervisor for review.

Depending on the outcome of the evaluation score or result, different workflows can be automatically initiated. All of the evaluations and results will be stored on the vendor's profile and related contracts. The vendor will receive an overall performance result and that will also be tracked. The system will also track vendors that have been suspended or banned and those that the City is currently in litigation with.

Various performance reports can be generated by staff and several automated system alerts will keep staff informed of upcoming evaluations or tasks that are due.

City's Purchasing By-Law Permits Cooperative Purchasing

The City's Purchasing By-Law 14-127, Section 14.3-4 permits the use of Cooperative Purchasing, either at the initial stages as part of a competitive bid solicitation that is being issued by the agency, or afterward to obtain agency prices.

City of Hamilton – Cooperative Bid Solicitation

In January 2017, The City of Hamilton procurement staff issued a Request for Proposals (“RFP”) for an e-Bidding System to upgrade or replace their existing electronic portal for the posting of competitive bids and vendor information. The RFP was developed to facilitate four main components of service:

- Main e-Bidding Portal
- Bid Evaluation
- Contract Management
- Vendor Performance

Although the RFP was issued and led by the City of Hamilton, the RFP was a cooperative bid solicitation prepared on behalf of ten participating agencies within Hamilton and Halton.

The RFP captured all ten of the participating agencies’ requirements and allowed for each agency to negotiate and execute their own contract with the successful proponent.

On February 10, 2017, the RFP closed and the City of Hamilton received five proposal submissions. The evaluation committee was comprised of two City of Hamilton procurement staff, a City of Hamilton Information Technology staff member and representatives from eight of the participating agencies. The team evaluated and scored each proposal by consensus and held demonstrations with the top three scoring proponents. The proponent who was awarded the highest score for both technical and cost was the eSolutions Group.

Although the City of Peterborough was not one of the 10 participating agencies. The RFP also included language to allow other public sector agencies not listed in the RFP to piggyback and engage the successful vendor for the same scope of services, which is what the City of Peterborough has done.

Impact to current Vendors and Potential Bidders

Staff have made preliminary inquiries about such a change in process and feedback has indicated that e-Bidding would be well received. A presentation was made by Bids and Tenders to the Peterborough Construction Association and the feedback was positive. Other local government agencies have made the transition to Bids and Tenders including the County of Peterborough, Peterborough Utilities and both local school boards.

The change in the process of issuing procurement documents on Bids and Tenders will have an impact on the customer service the City provides to its potential bidders. Potential bidders will be required to pay the \$165 annual fee to Bids and Tenders if they wish to do business with the City. Once they have a membership with Bids and Tenders, they will have access to other agencies’ opportunities as well.

To access the Bids and Tenders portal, suppliers would go to <https://www.bidsandtenders.ca/>. A link would be provided to the City's website to point potential Bidders to the Bids and Tenders website. Local advertisements would, for a temporary period of time, also refer potential Bidders to the Bids and Tenders website.

Timelines

The new system is scheduled to be implemented between June and September of 2018. This will allow time for the proper set up, roll out to City staff and advising the City's current vendors and potential proponents of the upcoming change. Once the initial implementation of posting the City's procurement documents is complete, a phased-in approach of the other modules will be implemented.

Summary

Issuing the City's procurement documents through Bids and Tenders will streamline the process for staff, create efficiencies within the departments and reduce the number of non-compliant bids being submitted by vendors.

Submitted by,

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