

Procurement Transformation Update

March 9, 2021

Category Management & Strategic Sourcing

- Over 2019 and 2020, able to set up our Category Management & Strategic Sourcing team
- Working with City Divisions able to launch a number of strategic sourcing events leading to confirming approx. \$60 million in benefits

Category	Opportunity Name	Operating / Capital	Total Annual Benefits
Construction	Watermain Replacement - Service Area A	Capital	\$ 2.5
	Watermain Replacement - Service Area B	Capital	\$ 3.0
	Sewer Rehabilitation	Capital	\$ 1.4
Facilities Management	Custodial Services	Operating	\$ 1.90
Fleet	Bulk Fuel	Operating	\$ 11.39
Technology	Wireless Services	Operating	\$ 1.43
	IT Contingent Labour - nRFP	Capital	\$ 18.01
	IT Contingent Labour - Demand Management	Capital	\$ 5.19
Cyber Security	Managed Security Services Provider (MSSP)	Operating	\$ 14.80
			<u>\$ 59.61</u>

Category Management & Strategic Sourcing cont.

- Over 2021 into 2022, PMMD will focus on strategic sourcing events in order to achieving \$110 million in benefits with support from E&Y
- Potential strategic sourcing events include
 - Winter Maintenance
 - Local Roads
 - Basement Flooding
 - Engineering Roster
- Other work will include:
 - Supplier Relationship Management Playbook;
 - Contract Management Playbook
- Work is to help position PMMD to create a Contract Management Centre of Excellence

SAP Ariba

- Sourcing module successfully implemented for September 2019 – had a full year in the system
 - Over 500 procurements issued last year in Ariba
- Supplier Lifecycle Performance module focus for 2021
 - Will incorporate existing Contractor and Professional Services Performance Evaluation Tools
- Procure to Pay to be implemented alongside City's implementation of a new financial system (SAP S4/Hana)
 - Contract Management Module will roll out with that
- Electronic signing of Agreements in 2020 put in place through PMMD

PMMD Reorganization

- To support the above changes, PMMD is reorganizing
- 2 new Directors under the CPO
 - Director, Purchasing Client Services (Sandra Lisi)
 - Director, Program Support (Kiruba Sankar)
- Director, Purchasing Client Services responsible for existing Purchasing units, Category Management Team and Warehouse Unit under
- Director, Program Support focused on Policy Development, Reporting, Ariba implementation/sustainment and reporting

PMMD 2021 Priorities

- Achieving \$110 million in benefits
- Implementing a Climate Change lens into the Procurement process
- Implementing Contract Management & Supplier Relationship Playbook
- Continuing the implementation of SAP Ariba
- Reviewing the Social Procurement Program with a focus on Black-owned and Indigenous-owned businesses
- Reviewing the Purchasing Bylaw