

Supporting Narrative for 2025 Procurement Metrics

Overview

In 2025, the City issued approximately \$3.3 billion in procurements through the issuance of 8,942 Purchase Orders and Blanket Contracts issued by the Purchasing and Materials Management Division (PMMD) and Divisional Purchase Orders issued by Divisions.

The average procurement cycle time measures the average time from the initiation of the procurement with PMMD until the issuance of a purchasing document. In 2025, the total average procurement cycle time was 160 working days, representing an increase of 15 days over 2024's average of 145 days.

The value of all non-competitive purchases (NCPs) for the city totaled \$287 million, representing 8.8% of the City's total purchases. The dollar value of the non-competitive procurements increased by 7.9% over 2024, and the number of non-competitive purchases increased by 9.5%.

City Divisions are required to conduct a three-quotation process for competitive divisional purchases between \$3,000 and \$120,000. In 2025, Divisions issued \$54.8 million through the issuance of 7,363 Divisional Purchase Orders (DPOs), of which \$4.5 million were processed using the Non-Competitive Procurement process and the issuance of 180 DPOs. 2025's activity represents an increase of 306 DPOs compared to 2024. The dollar value of purchases made by DPO increased by \$9.6 million from \$45.2 million in 2024 to \$54.8 million in 2025. In 2025, only 1.7% of City purchases were processed using DPOs.

The value of inventory maintained by the Materials Management and Stores Section increased significantly during the COVID19 pandemic period (2021-2024) due primarily to the acquisition and storage of pandemic-related inventory. As pandemic-specific inventory requirements declined, overall inventory levels began to decrease and are expected to stabilize moving forward. In 2025, the value of inventory purchased and issued continued to trend toward pre-pandemic levels, reflecting a return to more typical warehouse operations. However, the inventory turnover rate declined to 2.7 in 2025, down from 3.1 in 2024 and below the ideal range of 4 to 6 for Maintenance, Repair and Operations (MRO) organizations such as the City of Toronto, indicating opportunities to improve inventory utilization and stock management.

Procurements Processed by PMMD Purchasing Client Services Units

As indicated in Table 1 below, in 2025 the City issued \$3.2 billion in contracts, through the issuance of over 1,579 Purchase Orders (POs) and Blanket Contracts (BCs).

Table 1: Purchase Orders & Blanket Contracts Issued and Value per Year (Competitive and Non-Competitive Procurements)

Year	2021	2022	2023	2024	2025
Purchase Orders Issued	1,022	898	830	830	1127
Blanket Contracts Issued	616	564	487	357	452
Total Issued	1,638	1,462	1,317	1,187	1,579
Purchase Order Value (000s)	\$2,107,874	\$1,969,888	\$1,960,223	\$2,285,000	\$1,910,826
Blanket Contracts Value (000s)	\$993,860	\$2,093,829	\$491,865	\$651,434	\$1,295,978
Total Value (000s)	\$3,101,734	\$4,063,717	\$2,452,088	\$2,936,434	\$3,206,804

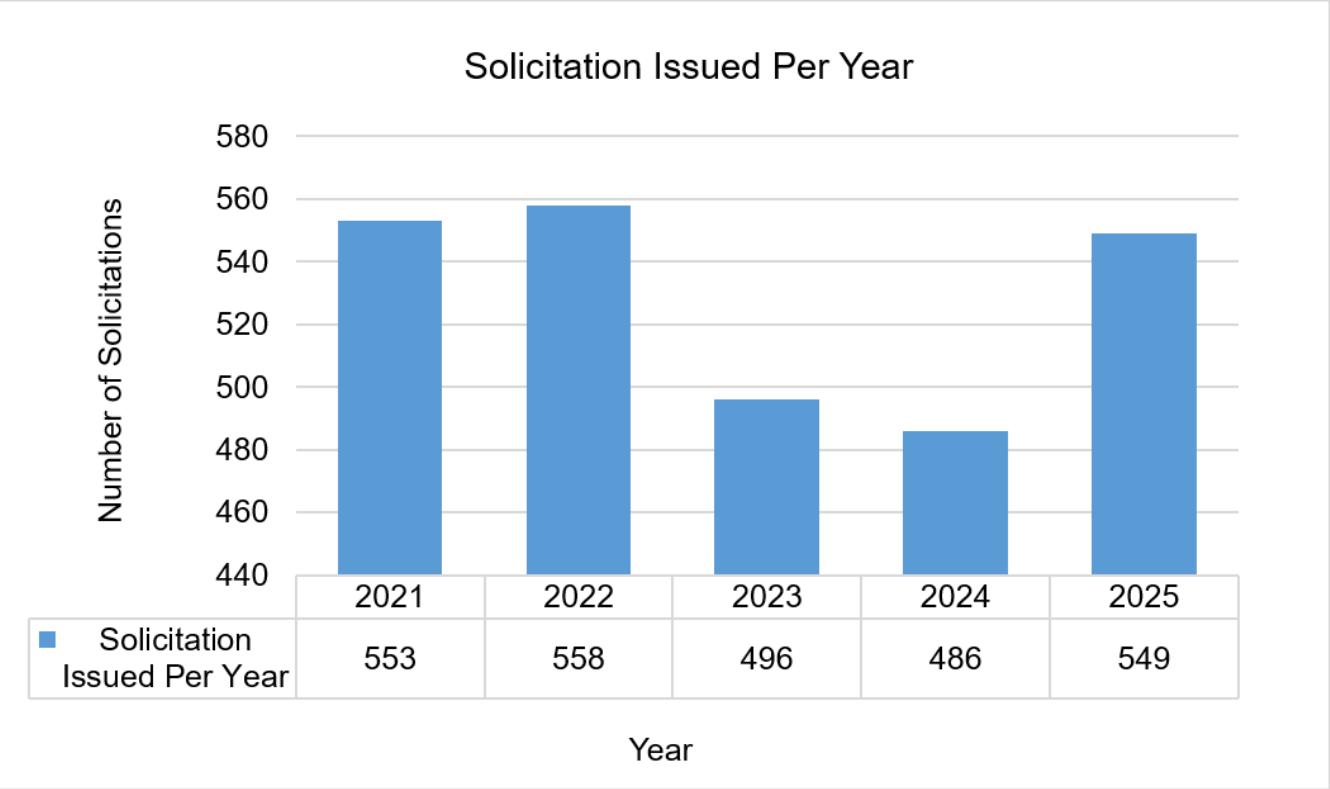
Formal Competitive Solicitations Issued by Year

The Purchasing & Materials Management Division, having responsibility for the commitment of public funds for the acquisition of goods and services, provides leadership, quality customer service and best value to the taxpayers of the City of Toronto through the application of open, fair, equitable and accessible business processes and practices. This is done by applying use of the following solicitation methods where the City is required to issue an open competitive solicitation.

- Request for Tenders (RFTs)
- Request for Quotations (RFQs)
- Request for Proposals (RFPs)
- Request for Information (RFIs)
- Request for Expression of Interest (REOIs)
- Request for Supplier Qualification (RFSQs)
- Negotiated Request for Proposals (nRFPs)

During the period 2021-2025, PMMD has been actively working on consolidating procurements of similar goods and services into larger corporate solicitations, leveraging multi-year agreements, increasing the use of the Category Management and Strategic Sourcing practices, Rosters, group Purchasing Organizations contracts, and Provincial Vendors of Record. These strategies have contributed to streamlining the number of procurements issued by PMMD each year through process efficiencies, as well as achieving best value for the city.

Graph 1: Number of Solicitations Issued by Year



Average Procurement Cycle Time

Procurement Cycle time is broken down into five (5) major events, in which multiple parties are involved in procurement processing with PMMD, including Client Divisions (and occasionally City Agencies and or Corporations), Financial Planning, and Legal Services Divisions. The 5 cycle events are defined below and are a companion to the descriptions in Graph 2.

All event processing times are calculated using net-working days.

1. Initiation of the solicitation, preparation, and approval of a solicitation document for issuance.

This event increased by 8 days in 2025. Some reasons for the increase include:

- Client readiness delays, where the client is not prepared to proceed with the procurement process.
- Multiple revisions of solicitation documents, resulting from extensive drafting and review cycles with the client.
- Outstanding supporting documents required to finalize the solicitation e.g. Conflict of Interest (COI) declarations, pricing forms, etc.
- Market sounding and industry engagement activities required to gather market intelligence and inform the procurement approach

2. Time period between the solicitation issue date and closing date.

This event increased by 1 day in the time frame from the solicitation issue date to the closing date from 25 in 2024 to 26 days in 2025.

- Addenda issued during the solicitation period, which may require extending the closing date to provide bidders with sufficient time to respond to changes or clarifications.
- Mandatory posting periods required by trade agreements, including CFTA and CETA requirements, which establish minimum solicitation advertising timelines.
- Extended market posting periods for complex procurements, where additional time is required to allow suppliers to thoroughly review requirements and prepare comprehensive submissions.

3. Solicitation closing date and date summary sent to Client Division.

This event decreased from 9 days in 2024 to 7 days in 2025 – a decrease of 2 days.

- The decrease was primarily due to completing the associated tasks for validating the mandatory requirements and sending the summary to divisions with improved efficiency in 2025.

4. Divisional evaluation of bids/proposals received.

The number of days in this event increased by 3 days from 36 days in 2024 to 39 days in 2025.

- Evaluation of bids and proposals is primarily conducted by the Client Division, which is responsible for reviewing and scoring submissions against the established evaluation criteria.
- Scheduling and coordination of evaluation activities, including individual evaluations, consensus meetings, and the consolidation of evaluator feedback.
- Request for Proposal (RFP) and Negotiated Request for Proposal (nRFP) processes may require additional procurement involvement, including participation by PMMD staff in consensus meetings, negotiations, Commercially Confidential Meetings (CCMs), and other evaluation related activities.
- Complexity, volume, and quality of submissions received can impact the time required to complete the evaluation process.
- Availability of evaluators and subject matter experts may influence the duration of the evaluation period, particularly for large or complex procurements.

5. Time period from receipt of the recommendation to award to issuance of Purchase Order, which includes entering into legal agreements where required (net-work days).

This event increased by 4 days from 31 days in 2024 to 35 days in 2025 and can be contributed to:

- Council or Committee approval requirements, where contract awards must proceed through Committee and/or Council approval processes before award can be finalized.
- Bid disputes or challenges, which can delay the award process until the matter has been reviewed and resolved.
- Negotiation, review, and execution of legal agreements, where contracts have not yet been finalized or signed by all required parties.
- Outstanding compliance requirements, including WSIB clearance, insurance certificates, Fair Wage requirements, and other mandatory documentation needed before award or contract execution.
- Award package deficiencies, where required information is missing or incomplete during the review process, resulting in additional follow-up and revisions.
- Purchase Requisition (PR) readiness issues, where a Purchase Order cannot be issued because the Client Division has not yet released or finalized the PR.
- Incomplete or incorrect approval workflows, including situations where the required approvers have not approved at the appropriate authority levels, resulting in workflow rejections and resubmissions.

Overall, in 2025, the average cycle time to process a procurement from the initiation of the solicitation with PMMD to the issuance of a purchasing document increased to 160 working days, representing a 15 day increase from the 2024 average cycle time of 145 working days.

Graph 2: Average Time in the Procurement Cycle: 2021 - 2025

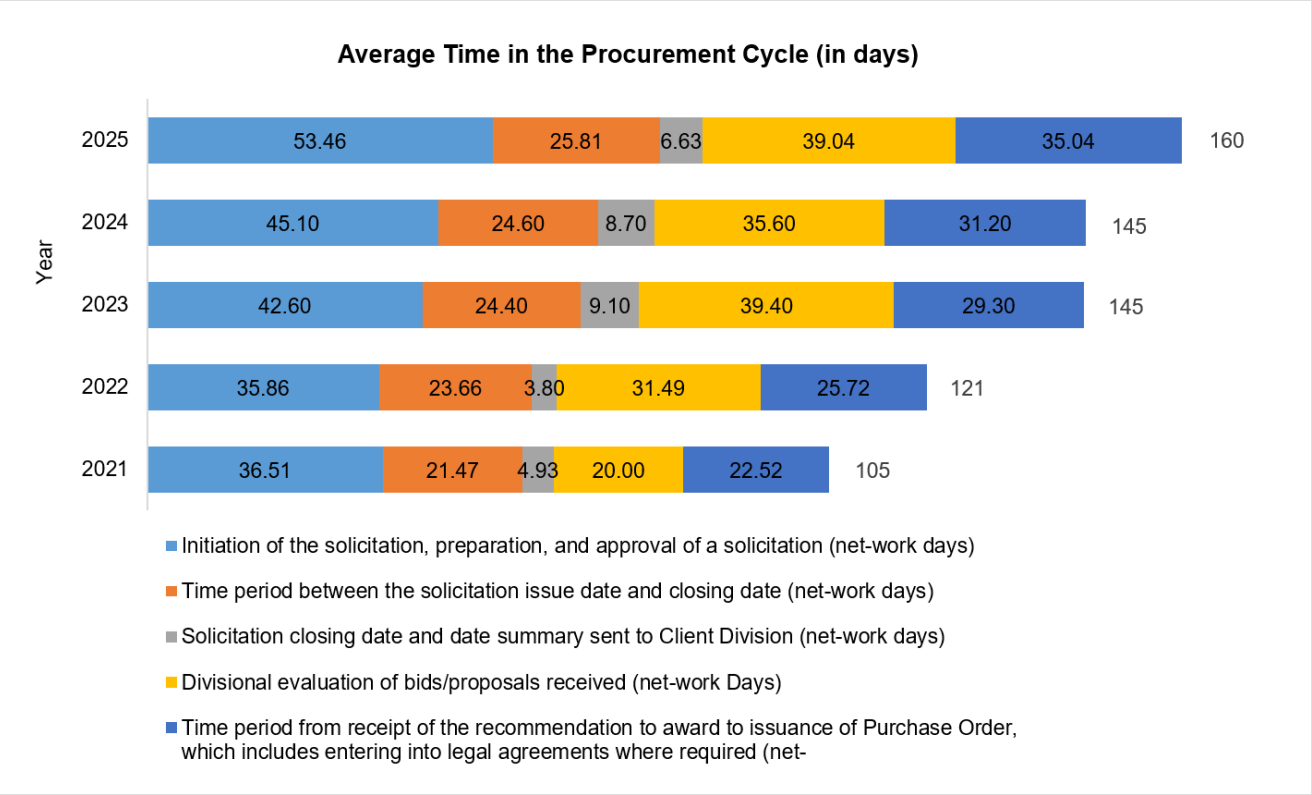


Table 2: Average Time in the Procurement Cycle: 2021 – 2025

Cycle Events	2021	2022	2023	2024	2025
Initiation of the solicitation, preparation, and approval of a solicitation	36	36	43	45	53
Time period between the solicitation issue date and closing date	22	24	24	25	26
Solicitation closing date and date summary sent to Client Division	5	4	9	9	7
Divisional evaluation of bids/proposals received	20	31	39	36	39
Time period from receipt of the recommendation to award to issuance of Purchase Order, which includes entering into legal agreements where required	23	26	29	31	35
Total Average Time in the Procurement Cycle	105	121	145	145	160

Non-Competitive Procurement

In 2025, the value of all non-competitive procurements (NCPs) for the City totaled \$287 million, which represents 8.8% of the City's total procurements of approximately \$3.3 billion.

The number of non-competitive procurements increased by 9.5% of the total procurements over 2024 and increased by 7.9% in total dollar value. Table 3 and Table 4 below shows the comparison of non-competitive procurements to the total overall procurements in the city for years 2024 and 2025.

Table 3: Number and Percent of NCP Activity \$3,000 and Above in 2024 vs 2025

Non-Competitive Activity	2024 Number of Procurements Issued	2024 Procurement Value	2025 Number of Procurements Issued	2025 Procurement Value
Approved by Divisions	243 (2.9% of Total POs/BCs/DPO issued)	\$5,978,100 (0.2% of Total Purchases)	180 (2.0% of Total POs/BCs/DPO issued)	\$4,486,680 (0.1% of Total Purchases)
Approved by PMMD	162 (2.0% of Total POs/BCs/DPO issued)	\$30,714,340 (1.0% of Total Purchases)	198 (2.2% of Total POs/BCs/DPO issued)	\$34,611,607 (1.1% of Total Purchases)
Approved by Council	50 (0.6% of Total POs/BCs/DPO issued)	\$229,201,366 (7.7% of Total Purchases)	120 (1.3% of Total POs/BCs/DPO issued)	\$247,910,996 (7.6% of Total Purchases)
Total Non-Competitive Activity	455 (5.5% of Total POs/BCs/DPO issued)	\$265,893,805 (8.9% of Total Purchases)	498 (5.6% of Total POs/BCs/DPO issued)	\$287,009,283 (8.8% of Total Purchases)

Table 4: Relation to Total Procurement Activity in 2024 and 2025

	2024	2024	2025	2025
Procurement Activity	# of POs, BCs and DPOs Issued	Value of POs, BCs and DPOs Issued	# of POs, BCs and DPOs Issued	Value of POs, BCs and DPOs Issued
Total Procurement Activity (Competitive and Non-Competitive)	8,244	\$2,981,685,319	8,942	\$3,261,653,449

Table 5 summarizes the top 5 Non-competitive Exception Codes used in 2025 and provides a comparison of those in 2024.

Table 5: Top 5 Most Significant Non-Competitive Exception Codes in 2025

Top 5	2025		2024		Change 2025 vs 2024	
<i>Exception Code</i>	<i>No.</i>	<i>Dollar Value</i>	<i>No.</i>	<i>Dollar Value</i>	<i>No.</i>	<i>Dollar Value</i>
Exclusive Rights	107	\$32,526,164	87	\$14,741,190	20	\$17,784,973
Compatibility	73	\$6,098,747	86	\$20,509,765	-13	(\$14,411,018)
Time Constraint	62	\$30,088,592	69	\$25,302,224	-7	\$4,786,368
Work Already Completed	52	\$46,521,004	38	\$2,050,518	14	\$44,470,486
Bridging Contract	36	\$3,773,481	37	\$14,785,587	-1	(\$11,012,106)
Top 5 Total	330	\$119,007,987	317	\$77,389,284	13	\$41,618,703
Total NCP	498	\$287,009,283	455	\$265,893,805	43	\$21,115,478

Breakdown of Non-Competitive Procurements

Tables 6-8 below show the overall change in the use of Non-Competitive Procurements by approval range. More specifically, Table 6 compares 2024 to 2025 for the use of Non-Competitive Procurements approved by City Divisions in the range of \$3,000 to \$50,000

Table 6: Comparison of Non-Competitive Divisional Purchase Orders (DPOs) \$3,000 and Above Between 2024 and 2025

	2024	2025	Change between 2024 and 2025	% Change
Total Number of Procurements Issued	243	180	-63	-25.9%
Total Dollar Value	\$5,978,100	\$4,486,680	(\$1,491,419)	-24.9%

Table 7 below shows the 2024 to 2025 comparison of the use of Non-Competitive Procurement approved by PMMD from \$3,000 to \$500,000. City Divisions can choose to bring a Non-Competitive contract forward to PMMD for approval that is less than \$50,000 if they believe it is complex.

Table 7: Comparison of Non-Competitive Purchase Orders and Blanket Contracts Processed by PMMD \$3,000 and Above Between 2024 and 2025

	2024	2025	Change between 2024 and 2025	% Change
Total Number of Procurements Issued	162	198	36	22.2%
Total Dollar Value	\$30,714,340	\$34,611,607	\$3,897,267	12.7%

Table 8 below compares non-competitive procurements greater than \$500,000 in value from 2024 to 2025 that are approved by Standing Committee and Council.

Table 8: Comparison of Council Approved Non-Competitive Purchase Orders and Blanket Contracts Between 2024 and 2025

	2024	2025	Change between 2024 and 2025	% Change
Total Number of Procurements Issued	50	120	70	140%
Total Dollar Value	\$229,201,366	\$247,910,996	\$18,709,630	8.2%

Materials Management & Stores

For the Materials Management & Stores Section, which runs the corporate warehouses, high functioning characteristics include a balance between the value of stock issued and the value of goods received, and an optimal inventory turnover rate for goods. Too low in turnover may indicate risk of obsolescence, and too high may indicate a risk of “stock outs”.

Graph 3 below shows that overall, the value of warehouse inventory increased over the years 2021 to 2024 due to COVID19 and is now gradually decreasing and is expected to remain level moving forward. This exception in inventory is particularly due to COVID-19 specific inventory.

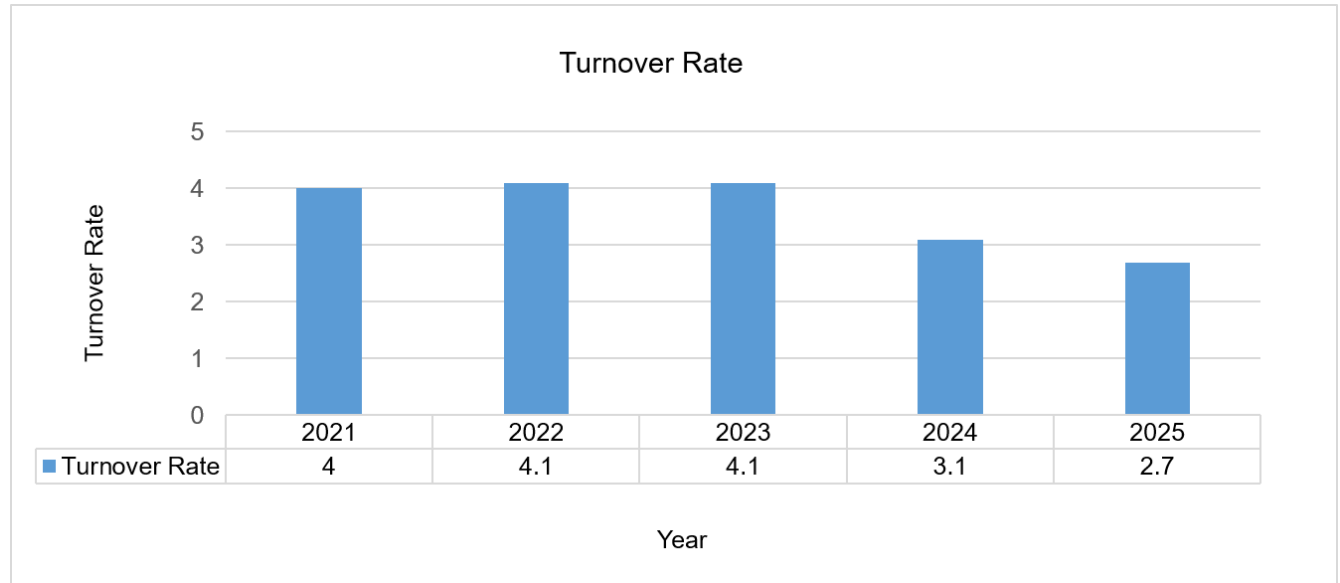
2025 issues continued toward the pre-Covid levels and should now level off to more normal inventory purchases compared to the COVID pandemic years.

Graph 3: Warehouse Inventory Purchased & Issued



Graph 4 below shows the turnover rate of the warehouse inventory over the five years from 2021 to 2025. Over this period, the turnover rate fluctuated, starting at 4.0 in 2021 and increasing to 4.1 in 2022. Subsequently, it remained steady at 4 for 2023, decreased to 3.1 in 2024, and fell slightly to 2.7 in 2025, below the ideal turnover range of 4 and 6.

Graph 4: Turnover Rate



Divisional Purchase Orders (DPOs) – Procurements Processed by Divisions

As shown in Graph 5 below, in 2025, the Divisions issued over 7,363 DPOs valued at approximately \$54.8 million, of which 180 DPOs valued at \$4.5 million were processed as Non-Competitive Procurements.

Graph 5 further shows that in 2025, there was an increase of 306 DPOs compared to 2024, and that the dollar value of purchases made by DPOs increased by \$9.6 million from \$45.2 million.

Graph 5: Divisional Purchase Orders (Inclusive of Competitive DPOs & Non-Competitive Procurement DPOs)

