

For Information Only

E-tendering

Presented To: Finance and
Administration
Committee

Presented: Tuesday, Mar 26, 2019

Report Date Tuesday, Mar 12, 2019

Type: Presentations

Resolution

For Information Only

Relationship to the Strategic Plan / Health Impact Assessment

This report supports Council's strategic pillar of Responsive, Fiscally Prudent, Open Governance. Specifically Focus on openness, transparency and accountability in everything we do.

Report Summary

On March 29, 2019, the City will be launching electronic Tendering (eTendering). This report serves to provide information such as a summary of changes to the competitive procurement process, implementation and communication plan.

Financial Implications

There are no financial implications as the City does not pay for the bids&tenders platform.

Signed By

Report Prepared By

Kari Bertrand
Chief Procurement Officer
Digitally Signed Mar 12, 19

Manager Review

Lorraine Laplante
Manager of Accounting
Digitally Signed Mar 12, 19

Division Review

Ed Stankiewicz
Executive Director of Finance, Assets
and Fleet
Digitally Signed Mar 12, 19

Financial Implications

Jim Lister
Manager of Financial Planning and
Budgeting
Digitally Signed Mar 12, 19

Recommended by the Department

Kevin Fowke
General Manager of Corporate
Services
Digitally Signed Mar 12, 19

Recommended by the C.A.O.

Ed Archer
Chief Administrative Officer
Digitally Signed Mar 12, 19

Background

Electronic processing of procurement opportunities and the digital receipt of competitive bids via a secure platform is a common method of municipal procurement. In Ontario, many municipalities already use electronic processes, generally known as e-tendering, for advertising and receiving competitive bids.

In 2017, following a procurement process, ELT directed the implementation of an electronic tendering system (bids&tenders at www.bidsandtenders.ca) through a hosted solution. There are currently over 160 public-sector organizations using bids&tenders, including municipalities across Ontario, such as Timmins, North Bay and Thunder Bay.

To implement this direction, a project team was created and consists of staff from Purchasing, Information Technology, Engineering, Legal, and Communications, along with consultants from eSolutions (bids&tenders provider). One of the first steps was to update the Purchasing By-law to permit electronic tendering, which was completed in September 2018.

Feedback, thus far, from all stakeholders have been positive. Staff has offered training sessions for smaller local firms to help them prepare for this change.

The move to e-tendering aligns with the City's IT strategy. E-tendering aligns with the vision of city services powered by technology and data. We will see process improvements and higher levels of performance from our bidding process as a result of this change.

About bids&tenders

bids&tenders is a user-friendly electronic tendering platform that allows vendors to review tenders and submit bids/proposals online. The real-time technology ensures easy access to view procurement opportunities and up-to-date information throughout the procurement process, including addenda, reminders and more. The solution includes:

- ✓ Electronic procurement process management (advertising/supplier notifications, solicitation posting, plan takers, registration, question and answer function, electronic submissions, proposal evaluation, award notifications).
- ✓ Vendor self-service.
- ✓ Electronic bonding (eBonding).
- ✓ eContracts with insurance tracking and Vendor Performance Management (usage to be determined in the future).

Effective January 31, 2019, the subscription fee is \$50.85, plus HST per bid/proposal submission or an annual subscription fee of \$169.95, plus HST for unlimited bid/proposal. This entitles subscribers to bid on all competitions from the City of Greater Sudbury, as well as other municipalities/organizations utilizing bids&tenders.

An estimated 70 percent of the City's contractors/suppliers are already subscribers to bids&tenders and would not incur additional costs. Approximately 30 percent of our current vendors are not registered with bid&tenders, of which a small number of are non-digital-embracing (limited technology knowhow or equipment). This group will require support to transition to a digital process. See appendices for measures being implemented to this end.

Both the Chamber of Commerce and the Northern Ontario Construction Association support the move to this platform, as it has many benefits to their membership.

Benefits of eTendering to the City of Greater Sudbury

Some benefits of eTendering include:

- ✓ Efficiency in the procurement process (reduction in operating costs);
- ✓ Reduction in bid prices (due to higher visibility and increase number of bidders);
- ✓ Reduction in bid irregularities/bid rejections (built-in compliance checker);
- ✓ Efficiency in the Tender and RFP evaluation processes;
- ✓ Elimination of public tender openings;
- ✓ Improved data capture for analytical purposes; and
- ✓ Improved performance expected against MBNCanada benchmark averages:
 - Increased number of bids per call
 - Increase in purchases per centralized purchasing staff
 - Reduction in operating costs
 - Increase in the percent of purchases through a procurement process (efficiencies created will allow time for spend analysis to identify opportunities for improvement)

Benefits of eTendering to Suppliers

Some benefits of eTendering include:

- ✓ Efficiency in the procurement process;
- ✓ Cost neutral (no longer have to pay for printing, courier, delivery of bids);
- ✓ Improved access to procurement opportunities;
- ✓ Automatic notifications of procurement opportunities;
- ✓ Reduction in bid irregularities/bid rejections (built-in compliance checker);
- ✓ Improved bidder's access to the City's opportunities; and
- ✓ Unofficial results posted automatically.

More information is available on the city's website:

General Information - <https://www.greatersudbury.ca/do-business/bidding-opportunities/tenders/>

Supplier FAQ - <https://www.greatersudbury.ca/do-business/bidding-opportunities/tenders/faq/>

Next steps

Staff will continue to provide information and support to suppliers and operating departments regarding the changes in processes.

The project team has identified March 29th, 2019 as our launch date for posting our procurement opportunities on bids&tenders.

Resources Cited

September 25, 2018 – Council – Purchasing By-law Amendment report

<http://agendasonline.greatersudbury.ca/index.cfm?pg=feed&action=file&agenda=report&itemid=28&id=1247>

Appendix A - Impact to Stakeholders

Internal and external stakeholders impacted by eTendering have been identified. The following plan has been implemented to mitigate the impacts:

Stakeholder	Change in process	Mitigation Plan
System Users - Purchasing - Engineering	Automation of procurement process: - Posting - Questions & Answers - Issuing addenda - Receiving bids/proposals - Evaluation (RFP only) - Award, notifications - Records retention	1. Onboarding early in the implementation process, regular communication 2. Training on: - Use of new templates - Use of bids&tenders 3. Support from other Purchasing Staff that are "super-users"
Suppliers (Bidders) / Contractors	1. Automation of procurement process 2. Requires a computer/Internet access 3. Required to switch to: - electronic bonds - award updates - notifications	1. Communication through multiple vehicles 2. Sufficient time to prepare (approximately three (3) months) 3. Opportunities for training prior to transition 4. Libraries provides free computer/internet access 5. Providing information regarding eBonding 6. comprehensive support from bids&tenders 7. CPO and Purchasing Coordinator attended Contractors meeting on March 6, 2019
Engineering Department	1. Department Clerks will be conducting procurement process through bids&tenders 2. Need to understand the impact to process and template changes 3. May have some interaction with the system for tender preparation (review/ quality assurance) 4. Electronic evaluations	1. Onboarding early in the implementation process, regular communication 2. Process mapping exercise 3. Training on: - Use of new templates - Use of bids&tenders - Evaluation
Authorized Persons - Operating Departments	Automation of evaluation	1. General information updates 2. Training on the online evaluation process
CSC Leads/Library staff	1. 311 inquiries re: change 2. Assist Bidders at the Libraries	1. Provide Frequently Asked Questions 2. Provide key Purchasing contact information 3. Provide general information to assist bidders
Northern Ontario Construction Association & Members	Members are suppliers	Received general public communication to share with their members
Chamber of Commerce	Members are impacted	1. Received general public communication 2. Added information to their weekly newsletter
Bonding Providers	Required to provide electronic bonds	1. Analysis of past bonding providers conducted 2. Courtesy calls conducted to inform them of the change

Appendix B - Implementation

The below table represents an overview of the major milestones:

Item	Date	Responsibility
Purchasing By-law update	September 25, 2018	Purchasing Legal
Procurement template revisions to reflect eTendering: <ul style="list-style-type: none">- process instructions, terms and conditions- eBonding language- Removal of public opening	March 2019	Purchasing Legal
System Configuration: <ul style="list-style-type: none">- Customized portal- Creation of common templates/forms- eBonding	March 2019	Purchasing eSolutions
Process/ Workflow Mapping: <ul style="list-style-type: none">- All procurement methods- Outline changes- Develop User Guides	March 2019	Purchasing Engineering
Training: <ul style="list-style-type: none">- Purchasing- Engineering- Suppliers	March 2019	Purchasing Engineering
Training Evaluators (Operating Departments)	Ongoing	Purchasing
Start developing solicitations for eTendering	March 2019	Purchasing Engineering
First day to start posting on bids&tenders	March 29, 2019	Purchasing
Award of the last procurement posted via old process	TBD	IT

Appendix C - Communication

The below details the communications plan for all stakeholders:

Audience	Message Type	Content	Schedule
Internal Users: Purchasing and Engineering Staff	Email	Project status updates and other information	Bi-weekly since mid-February
External users (Suppliers) & Chamber of Commerce	CGS Website Bidders list Information at front desk	"eTendering is coming to the City of Greater Sudbury!" <ul style="list-style-type: none"> Link to Website for FAQ's/ contact 	Complete
		"Additional Information Regarding eTendering Available" <ul style="list-style-type: none"> Launch date Training session dates 	Complete
	Presentation	Information plus an opportunity to ask questions	Complete
Bonding Firms	Phone	Advise them on the upcoming change	Complete
Northern Ontario Construction Association	Email	General Announcement	Complete
Engineering Department	Email	Brief project status updates	As required
	In-person Presentation	Review impacts and overview of bids&tenders	Complete
CSC Leads/Libraries staff	Email	Overview of eTendering and why bidders may need assistance Instructions for them to assist (quick-tips)	Complete
Authorized Person(s)/Operating Departments	Email	"eTendering is coming to the City of Greater Sudbury!" Link to Website for FAQ's/who to contact (See Appendix A)	Complete
		Launch Announcement	Complete
Council	CAO's Weekly Report	Briefing Note	Complete
Authorized Persons/ Business Leadership Group (BLG)	Email	General Announcement	Complete

eTendering



Finance and Administration Committee

March 26, 2019

Purpose

- ▶ eTendering
- ▶ Impact of change
- ▶ Supplier support
- ▶ Key dates

What is eTendering?

An internet based process wherein the complete tendering process; from advertising to receiving and submitting tender-related information are done online.



- ▶ User-friendly
- ▶ Widely used
- ▶ **Free** to view opportunities/receive notifications
- ▶ **Pay** Annual fee or per submission fee to submit bids

Major Process Changes

Current

Website/Email

Hybrid

Paper Bonds

Public Opening

eTendering

**bids&tenders
Notifications**

100% Electronic

eBonding

**Automatic
Unofficial Results**



Applicable to:

- ▶ All open competitive \$100,000 or more
 - ▶ Request for Tenders
 - ▶ Request for Proposals
 - ▶ Request for Pre-Qualification
 - ▶ Expression of Interest
- ▶ Bid solicitations resulting from a Pre-Qualification
- ▶ Open or invitational competitive procurements under \$100K

Benefits to the City

- ▶ Process efficiencies
- ▶ Increase visibility
- ▶ Reduce bid irregularities/rejections
- ▶ Improved performance
- ▶ Aligns with IT Strategy

Benefits to Suppliers

- ▶ Increase customer service
 - ▶ Visibility of information
 - ▶ Customer Service Strategy
- ▶ Process efficiencies
- ▶ Cost neutral
 - ▶ fee for bid submission offset by elimination of existing costs
- ▶ Improved access to opportunities
- ▶ Reduce bid irregularities/rejections

Supplier Communication

Date	Method	Message	Audience
February 19 th	Email/Website/Newsletter	eTendering is coming (FAQ's)	Suppliers, NOCA, Chamber of Commerce
March 4 th	Email/Website/Newsletter	Additional information	Suppliers, NOCA, Chamber of Commerce
March 5 th	Phone	Direct Contact	Select suppliers not on bids&tenders
March 6 th	In Person Contractors meeting	Information/resources	CGS Contractors

Supplier Communication

Date	Method	Message	Audience
March 29 th & onwards	Email Notifications from bids&tenders	Notification of opportunity	Potential Suppliers
April- May	Weekly in-person Demonstration	Detailed instructions	Suppliers
June – September	Monthly in-person Demonstration	Detailed instructions	Suppliers

Supplier Resources



- ▶ Dedicated resource
- ▶ In-person Supplier Training
- ▶ Library – Access to Internet/Computers
- ▶ Tenders & Results Webpage
- ▶ Email

- ▶ tenders@greatersudbury.ca

- ▶ Call

- ▶ 705-674-4455, ext. 2501

Vendor Support Portal

- ▶ Account creation
- ▶ Detailed instructions
- ▶ How to videos

<https://bidsandtenders.zendesk.com>

- ▶ Email

support@bidsandtenders.ca



Key Dates

- ▶ Launch – March 29th
- ▶ Open period for questions
 - ▶ Mid-April
- ▶ First bids due
 - ▶ Late April

GO-LIVE
March 29,
2019

Questions

