

NON-COMPETITIVE SINGLE SOURCE AGREEMENT - CANADA POST

RECOMMENDATION

That a single source agreement between the City of Edmonton and Canada Post Corporation for the City to continue to receive outgoing mail services for up to 10 years ending May 1, 2032, for an amount not exceeding \$25 million, as outlined in the October 12, 2022, Financial and Corporate Services report FCS01161, be approved, and that the agreement be in form and content acceptable to the City Manager.

Requested Council Action	Decision required		
ConnectEdmonton's Guiding Principle	ConnectEdmonton Strategic Goals		
CONNECTED This unifies our work to achieve our strategic goals.	N/A		
City Plan Values	N/A		
City Plan Big City Move(s)	N/A	Relationship to Council's Strategic Priorities	Conditions for service success
Corporate Business Plan	Managing the corporation		
Council Policy, Program or Project Relationships	<ul style="list-style-type: none"> City Administration Bylaw 16620 		
Related Council Discussions	<ul style="list-style-type: none"> N/A 		

Executive Summary

- Administration is seeking approval to enter into a single source agreement of 10 years with Canada Post Corporation ("Canada Post") for an estimated expenditure not to exceed \$25 million.

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- Mail services secured through this single source agreement will be funded within the approved operating budget.
- The City and Canada Post have a long-standing relationship with a number of contract agreements in place. Canada Post is the only service provider that delivers lettermail and parcels to every address in Canada.

REPORT

The City of Edmonton requires a mail service provider to deliver approximately four million pieces of lettermail every year. These communications are often legislatively required, and include, but are not limited to: tax notices (unless the property owner has opted in to electronic notices), automated enforcement violations, parking tickets and bylaw notices.

The City requires a mail provider that can deliver mail to any address, as the registered addresses of some property owners are not always in Edmonton. Canada Post is the only potential supplier that can deliver to all addresses. A single source contract agreement with Canada Post enables the City to receive the best available pricing for all Canada Post services.

Mail Services Approach

The City's Mail Services section picks up and prepares outgoing lettermail and parcels from over 150 City sites. Canada Post picks up prepared mail daily from the City's central mailing hub.

A postage agreement with Canada Post includes the pickup of all mail prepared by the City's contracted print services provider and sent to Canada Post on behalf of the City. This includes program guides, neighbourhood renewal information, annual tax mailouts, photo radar, bylaw ticketing and all other lettermail requirements.

Justification for Recommendation

- There are no other providers offering lettermail delivery services to all Canadian addresses in a consistent, efficient and affordable manner.
- Under the Canada Post Corporation Act, Canada Post, "the Corporation has the sole and exclusive privilege of collecting, transmitting and delivering letters to the addressee thereof within Canada."¹ as referenced at the Justice Laws Website.
- The City already uses Canada Post for all lettermail delivery services, and has had a positive working relationship.
- While the City is working to encourage property owners to receive their notices electronically, Administration anticipates a need for lettermail for residents for the foreseeable future.
- This agreement would also allow the City to use Canada Post's parcel service offering, which has competitive rates when compared to private providers. Parcel service accounts for five per cent of the City's mailing spending (\$139,000 in 2021). It is advantageous for the City to have this option available with Canada Post on an as-needed basis.

¹ Justice Laws: laws-lois.justice.gc.ca/eng/acts/c-10/page-2.html#h-60016

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Budget/Financial Implications

In 2021 the City (including Edmonton Police Service and Edmonton Public Library) spent \$2.5 million on Canada Post services. Average costs were \$2.2 million in previous years. Taking into account likely inflation of costs, Administration believes a 10-year contract with an estimated expenditure not to exceed \$25 million is a prudent decision.

The requested single source will allow the City to purchase mail services as required, consistently receiving the best available rates under set terms and conditions, up to the total amount of the single source agreement. It does not represent a spending commitment or forecast.

Mail services secured through this single source agreement will be funded within the approved operating budget.

Legal Implications

As per the City Administration Bylaw 16620, procurement agreements over \$1 million that do not arise from a competitive procurement process must be approved by the appropriate Council Committee. The City is subject to trade agreements that require an open competitive process for procurements of this value, unless a trade agreement exemption applies. For this procurement, there is an exemption in each applicable trade agreement.

COMMUNITY INSIGHT

Public engagement was not conducted for this report as it relates to an internally required service with few potential suppliers. Administration has been satisfied with the reliability of the services provided by Canada Post to effectively serve Edmontonians and property owners.

Canada Post is a Crown corporation owned by the federal government. Procurements from a public/government body are considered exempt under the New West Partnership Trade Agreement, Canadian Free Trade Agreement, and Comprehensive Economic and Trade Agreement, and as such, there is no requirement to solicit bids for service from the public at large. The Notice of Award will be published to the Alberta Purchasing Connection as required by the trade agreements.

GBA+

The single source agreement for Canada Post lettermail services is the only lettermail option which delivers across Canada to all addresses without increased courier fees. This provides avenues to communicate to interested parties across both the city and country. Individual mailouts are targeted according to operational requirements and may allow for engagement with the many diverse groups the City serves.

The nature of the relationship between the City and Canada Post (two public sector organizations) involves a very limited/transactional scope with low sensitivity and low risk, therefore no substantial opportunity under GBA+ was found.