

ANNUAL DELEGATION OF AUTHORITY

2024

Recommendation

1. That the May 14, 2025, Financial and Corporate Services report FCS02772, be received for information.
2. That Attachment 3 of the May 14, 2025, Financial and Corporate Services report FCS02772 remain private pursuant to section 27 (privileged information) of the *Freedom of Information and Protection of Privacy Act*.

Requested Council Action		Information only	
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">● Bylaw 16620 - City Administration Bylaw● Council Policy C556C - Sustainable Procurement		
Related Council Discussions	<ul style="list-style-type: none">● November 27, 2024, Financial and Corporate Services report FCS02488, Sustainable Procurement Policy - Subcontractor Compliance● May 3, 2024, Financial and Corporate Services report, FCS02345, Annual Delegation of Authority - 2023● May 3, 2023, Financial and Corporate Services report, FCS01768, Annual Delegation of Authority Report - 2022● June 29, 2022, Financial and Corporate Services report, FCS00995, Annual Delegation of Authority - 2021● June 29, 2022, Financial and Corporate Services report, FCS01160, Indigenous Procurement Framework		

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Executive Summary

- This report fulfills the City Manager's annual obligation under Bylaw 16620 - City Administration Bylaw, by detailing non-competitive procurement agreements exceeding \$250,000 for 2024, and providing an update on competitive agreements above the same threshold. The report incorporates the bylaw mandate to disclose settlements of insured claims where the amount payable by the City exceeds \$1 million, and highlights progress in implementing Council Policy C556C - Sustainable Procurement.
- For the period of January 1, 2024 to December 31, 2024, Administration entered into 255 agreements over \$250,000, with a total value of over \$3.1 billion. Of these, 232 agreements (91 per cent) resulted from a competitive procurement process, with a total value of \$2.96 billion (96 per cent of agreement value).
- In 2024, 92 per cent of competitive procurements included sustainable benefit criteria. This is up from 80 per cent in 2023, 78 per cent in 2022 and 41 per cent in 2021.
- Total Diverse Spend for 2024 was \$62 million. This is a 57 per cent increase from 2023 (\$40 million) and an 88 per cent increase from 2022 (\$33 million).
 - Supplier diversity increased in 2024 with a total of 101 suppliers declaring themselves diverse. This is a 39 per cent increase from 2023, when the total number of diverse suppliers was 62. In 2022, 59 suppliers declared themselves as diverse suppliers.

REPORT

Every four years, Council and Administration develop multi-year operating and capital budgets, which are adjusted on an annual basis. The four-year budgets allow Council and Administration to take a long-term approach to prioritizing and aligning programs, services, strategic initiatives and capital expenditures. Once these budgets are Council-approved, Administration expends some of the funds through third-party agreements, as necessary, for the effective delivery of City services and renewed or new municipal infrastructure.

As a public sector organization, the City must adhere to trade agreements that require a fair, open and competitive procurement process for any goods and services valued at \$75,000 and above, and for construction valued at \$200,000 and above. For non-competitive agreements, trade agreement exceptions may enable the City to forgo the use of competitive procurement processes, and instead seek quotations or negotiate directly with suppliers. Trade agreement exceptions include but are not limited to:

- Where it can be demonstrated that only one supplier is able to meet the requirements of a procurement.
- Where an unforeseeable situation of urgency exists and the goods, services or construction could not be obtained in time via open procurement procedures.
- Procurements from a public/government body.
- If no bids are received in response to a competitive procurement process.

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A significant majority of the City's contracts are established through open, competitive procurement processes to ensure transparency and value for money. In certain instances, agreements for goods, services or construction delivery are non-competitive. Bylaw 16620 requires annual reporting by the City Manager to Executive Committee on procurement agreements arising from non-competitive procurement processes, where the value of the agreement exceeds \$250,000.

For non-competitive agreements, the City seeks value for money by using limited competition (seeking more than one quote) if possible, or by negotiating the best possible pricing and terms of agreement. Pursuant to Bylaw 16620, the City Manager may approve any procurement agreement resulting from a competitive procurement process and may approve any agreement resulting from a non-competitive procurement process if the value does not exceed \$1 million and the term does not exceed 10 years. The relevant Standing Committee must approve non-competitive agreements greater than \$1 million.

For the period of January 1, 2024 to December 31, 2024, Administration entered into 255 agreements over \$250,000, with a total value of over \$3.1 billion. Of these, 232 agreements (91 per cent) resulted from a competitive procurement process, with a total value of \$2.96 billion (96 per cent of agreement value).

Attachment 1 provides a summary of competitive and non-competitive agreements greater than \$250,000 in the January 1, 2024 to December 31, 2024 reporting period, as well as settlements of insured claims where the amount payable by the City exceeds \$1 million and agreements for the retention of lawyers and experts for legal purposes. Attachment 2 contains an overview and detailed list of non-competitive procurements. Private Attachment 3 provides details on select non-competitive agreements that have been classified as confidential.

Local Procurement

The City defines a supplier as 'local' if they have a business address containing a postal code in the capital region.

- In 2024, 65 per cent of contracts greater than \$250,000 that were established through competitive procurements were with local suppliers, which is on par with 72 per cent in 2023, 63 per cent in 2022 and 68 per cent in 2021.
 - When the value of competitive contracts is examined, 86 per cent of contract value was with local suppliers, whereas in 2023, this number was 67 per cent.
- In 2024, 30 per cent of contracts greater than \$250,000 that were established through non-competitive procurements were with local suppliers, which is a decrease from 47 per cent in 2023, 48 per cent in 2022 and 42 per cent in 2021.
 - When the value of non-competitive contracts is examined, 29 per cent of these contracts were with local suppliers.
 - The reason non-competitive procurements use non-local suppliers more often than competitive procurements is due to procuring requirements that have specific needs or distribution chains that may not be within the local area. Trade agreements prevent

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applying preferential treatment to local suppliers and the City must ensure that suppliers are not discriminated against based on their location.

Sustainable Procurement

City Policy C556C - Sustainable Procurement includes four guiding principles:

- Ethical Standards;
- Environmental Sustainability;
- Indigenous Procurement; and
- Social Value Considerations.

The goal of the policy is to leverage City purchases to create economic, environmental and social impacts. In 2024, the City continued to advance its sustainable procurement program. Key highlights include the following:

- On June 6, 2024, the City held the “Purchase with Purpose” event to facilitate networking opportunities for Indigenous, diverse and social purpose businesses with public sector purchasing organizations locally. This also provided engagement opportunities for suppliers interested in hiring subcontractors that identify as Indigenous, diverse and social purpose suppliers. Over 200 attendees participated in this event.
- The Measurement and Reporting Framework and Diversity Spend Framework were finalized. Data collection methodology is currently underway to support reporting in alignment with this framework.
- Competitive procurements continued to include sustainable evaluation criteria and contract requirements. In 2024, 92 per cent of competitive procurements included sustainable benefit criteria. This is up from 80 per cent in 2023, 78 per cent in 2022 and 41 per cent in 2021.
- The Sustainable Procurement policy incorporated living wage requirements for all new agreements with contracted services in City facilities.
- In 2024, diverse spend increased to \$62 million, a 57 per cent rise from \$40 million in 2023. Diverse spend is defined as the amount of money spent directly with a business majority owned by an Indigenous or equity-deserving individual or group and money spent directly with a social enterprise or social purpose organization.
 - These figures do not include subcontractor spend, therefore Administration anticipates the actual spend is higher than reported.
 - As the data relies on supplier self-reporting, the actual number of diverse suppliers and associated spending is likely greater than what is officially recorded.
 - In 2025 and beyond, Administration will establish improved methods to track subcontracting diverse spends and engage with diverse suppliers to support more accurate self-reporting.
- Administration developed an Indigenous Set Aside Approach, which aims to allocate resources specifically to Indigenous businesses to support and strengthen their representation in the City’s supplier base. Business units will be encouraged to begin using this approach beginning late 2025.

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- A Sustainable Procurement Advisory Committee was established to guide Administration on the implementation, improvements and outcomes of the City of Edmonton's Sustainable Procurement policy. This committee includes internal and external interested parties that can speak on behalf of businesses and community groups.
- Administration continued to offer "Selling to the City" sessions, providing suppliers with information and the opportunity to ask questions about the City's procurement processes and Sustainable Procurement policy, while developing connections to business support offered by the Business-Friendly Edmonton team.

Details of the work completed to date and a look forward to upcoming work are outlined in Attachment 4. Measurement and reporting updates are outlined in Attachment 5.

Community Insight

Administration is committed to providing financial reporting back to Council and residents that demonstrates how the City has delivered on the goals and objectives set out in the budget. Through various channels (including formal public engagement, community conversations/tables, 311, social media and speakers at Council committees), the City of Edmonton listens to the needs, desires and financial realities of Edmontonians as it procures and delivers infrastructure and services on behalf of the community.

Administration engages with existing and potential suppliers and advises on different ways of doing business with the City, including hosting regular Selling to the City sessions where suppliers can learn more about how to do business with the City.

Administration also regularly communicates with industry associations, social enterprises, public institutions and other interested parties to share updates and seek feedback on the implementation of Policy C556C.

GBA+

By applying GBA+ perspective to its review of the City's procurement processes, Administration fostered further policy development in the areas of social and Indigenous procurement. Policy C556C is designed around four key purchase outcomes that integrate community social value: providing employment opportunities, enhancing skills and training, fostering a social value supply chain and supporting community development. The policy also uses a diverse array of social benefit criteria that incorporate GBA+ considerations.

Administration will continue to incorporate a GBA+ lens in the process of reviewing existing policies, procedures, standards and practices, and developing new initiatives.

Environment and Climate Review

The City of Edmonton identifies and integrates environmental sustainability requirements into purchasing procedures and supply chain management processes. This supports the City's goal of achieving and maintaining climate resilience through emissions management, reduced pollution, energy efficiency and waste minimization.

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Attachments

1. Delegation of Authority Annual Report Summary - January 1, 2024 to December 31, 2024
2. Details of Non-Competitive Procurement Agreements Greater than \$250,000 by Department
3. PRIVATE - Details of Select Non-Competitive Procurement Agreements Greater than \$250,000 by Department
4. Sustainable Procurement - Tools and Procedures
5. Sustainable Procurement Measurement and Reporting