

Supplemental Information Package

Corporate Procurement and Supply Services

Corporate Outcomes:

- Project and Asset Management - The City of Edmonton's projects are well managed and assets are maintained for accountable service delivery
- Financial Sustainability - The City of Edmonton is a responsible steward of public funds
- Strategy and Governance - The City of Edmonton is a strategically focused and well-governed municipality

The Corporate Procurement and Supply Services branch (CPSS) is responsible for the City of Edmonton's procurement, contract and supplier management, and supply chain management services. CPSS provides oversight and ensures compliance with applicable trade agreements, laws and regulations. CPSS is an innovative and trusted partner, known for maintaining the highest standards of accountability, best value, efficiency, performance and flexibility, while enabling the success of the City's 70 lines of business.

**350 contracts worth
\$3.1 billion awarded**

113K unique parts inventoried to service **7.4K** units and attachments

2,214 active contracts

\$6M+ in Asset Recovery sales

\$1.10M Warehouse Goods Received
& **\$1.07M** Warehouse Goods Issued

41,533

Purchase Orders created by
Supply Chain Management

92% of competitive
procurements
included
sustainable criteria

5,312 tickets for supplier training, support, SAP ECC MM, & Ariba support

**CORPORATE PROCUREMENT AND SUPPLY SERVICES
2024 DATA**

Edmonton

Branch Services Delivered

Purchasing
<p>Procurement: This involves governance and oversight over City procurement policies and processes to ensure the City acquires goods, services, construction and intellectual property in an open, fair and transparent manner, while abiding by all applicable Trade Agreements and legal requirements. It involves procurement advisory, delivery and planning services for the entire corporation, as well as facilitation of competitive and non-competitive procurement processes resulting in contracts, which may include market sounding, request for proposal/tender management, contract negotiation and contract award.</p> <p>The implementation of the Sustainable Procurement policy leverages City purchases to create ethical, Indigenous, Social, and Environmental outcomes.</p>
<p>Corporate Contract Management: This involves the management of corporate contracts, governance over City contract management policies and processes, support, advisory, training and guidance on contract management for department contract management teams. The aim is to ensure efficiency and best value and alignment with Supplier Performance Management program enhancements.</p>
<p>System Support: This involves providing SAP Ariba support and training to end-users and driving supplier onboarding, engagement and performance management. Responsibilities include generating procurement and contract management reports for performance monitoring, regulatory compliance and spend analysis, and managing SAP ERP Central Component supply chain tickets, ensuring timely resolution and smooth operations.</p>
Supply Chain, Warehousing and Logistics Management
<p>Warehousing and Logistics: This involves providing warehousing, inventory management, category management, operational purchasing and logistics services across the City's 22 warehouses, to ensure Business Areas have access to the right parts, products and goods at the right time, cost and quantity. The WHMIS safety program, asset recovery and disposal, customs and mail services for the City are also included.</p>
Compliance, Oversight and Reporting
<p>Compliance Reporting: This involves ensuring that relevant laws, regulations and internal policies are adhered to. It provides a clear and factual account of an organization's compliance efforts, serving as evidence for external auditors and internal management. This process not only fulfills regulatory requirements but also helps organizations assess their own performance against industry benchmarks and internal policies.</p>
<p>Continuous Improvement: This involves assessing internal performance of branch processes and procedures to identify areas of improvement, enhanced efficiency or cost saving opportunities; identify potential compliance gaps and areas of risk; and analyze</p>

compliance data in order to make more informed decisions about risk management, resource allocation, and future compliance strategies.

This focuses on continuously improving operations by identifying key initiatives and ensuring success in their delivery/adoption. It also fosters transparency and accountability in procurement, contract management and supply chain functions to enforce the City's commitment to responsible, efficient and financially prudent operations.

Key Actions for 2025-2026

Implementation of Sustainable Procurement

The City will continue to advance the Sustainable Procurement policy through activities that leverage the procurement processes to provide social and environmental benefits to the community. These activities will focus on removing barriers and finding pathways for Indigenous and diverse business participation on City procurements and projects; providing training and orientation to local, small, diverse and Indigenous businesses on the City's procurement process; and providing pathfinding opportunities to direct more low value procurements to small, local, Indigenous and diverse businesses where feasible. The City will refine social and environmental outcome criteria used to evaluate bidders for contract awards, and support criteria that provide employment, subcontracting, training and apprenticeship opportunities for equity seeking organizations and individuals. The City will also be implementing measurement and reporting procedures to track outcomes of the Sustainable Procurement policy.

CPSS has made Sustainable Procurement a key priority since City Council approved the Sustainable Procurement policy C556 in 2019. The corporation has significantly advanced policy implementation by socializing the application of Indigenous, Ethical, Social and Environmental procurement considerations. This work will expand in 2025-2026 as the City continues to develop its Sustainable Procurement practices.

Augmenting Supplier Performance Management

This initiative enhances the Supplier Performance Management (SPM) program by improving and establishing processes that monitor, evaluate and address concerns about supplier performance. The program will undergo several modifications, including integrating Supplier Performance Ratings (SPR) into procurement sourcing events to inform future supplier selection. High-performing suppliers will gain an advantage in bid evaluations, while unsatisfactory performance will lead to placing the supplier on a Performance Improvement Plan (PIP) or in extreme cases, could result in probation or suspension.

Program enhancements include revising PIP templates and guides to increase awareness and usability, strengthening probation and suspension criteria and processes, and establishing a new appeal process for improved clarity and accessibility. Sustainability key performance indicators (KPIs) will be added to monitor supplier performance regarding environmental, Indigenous, ethical, and social value commitments. Program documentation and reference materials will be updated and additional communication and support will be

provided, along with a new website and SPM dashboard.

Supply Chain Transformation

This initiative assesses the efficiency of the end-to-end supply chain, identifying priority areas based on the greatest opportunity and impact to business needs and performance goals. Supply Chain Management supports critical fleet operations including those in emergency services, Edmonton Transit Service and LRT, Waste Services, and Parks and Roads Services. These areas depend on the effective and efficient delivery of parts and materials to keep operations running. A core focus of this initiative is ensuring the right parts are available at the right times while maintaining responsible financial management of City funds.

By leveraging data-driven decision-making and collaborating with key business partners, sustainable solutions will be developed to address the most impactful areas. Administration will take a phased approach, with multiple projects focusing on systems and warehouse technology, warehousing and distribution strategies and supply chain processes to meet the growing needs of the City in the most efficient and effective way. This initiative launched at the end of 2024, and will be a major focus throughout 2025, 2026 and beyond.

Contract Management Standardization

Contract management functions across the City are being centralized. This initiative will standardize contract management responsibilities, functions and processes. This will address the current inconsistencies in scopes of work, roles and responsibilities, as well as approaches to contract management, supplier relationship management and managing funds within the contracts functions among the centralized contract management staff. This initiative aims to improve data governance, deliver consistent value and cost savings, ensure process compliance and further the maturation of contract management at the City.

Tariff Monitoring and Response

The City will proactively track and analyze tariff and trade policy changes to ensure compliance with existing trade agreements. Ongoing contract analysis will assess domestic and international supplier exposure, identifying potential cost fluctuations, supply chain disruptions and legal risks. The City will explore options to mitigate these impacts by maintaining fair and transparent procurement practices. By continuously evaluating contracts, the City will optimize resources, minimize risks and maintain business continuity in response to evolving trade conditions.

Training Packages

The CPSS Training Framework initiative aims to enhance corporate learning by developing a comprehensive training framework and associated training packages. The objectives of this framework are to standardize training for new and existing employees, to facilitate interdepartmental collaboration within business areas and to ensure CPSS resources are functional and accessible.

Planned actions for 2025 include evaluating existing Learning Management System courses

and SAP Ariba and ERP Central Component training materials. This includes revising existing training materials to improve their quality, clarity, accuracy and usability, as well as creating new training courses to cater to varying levels of knowledge requirements across the City. The content and structure of CPSS digital resources across multiple platforms will be evaluated and refined, with a focus on accessibility and clarity.

Enhancing Reporting and Compliance

This initiative aims to enhance the effectiveness and efficiency of the CPSS reporting framework for Procurement, Contract Management, and Supply Chain Management. By refining existing processes and improving data accessibility, this project will help to optimize operations and empower data-driven decision-making across the branch.

The initiative will involve a review of current methodologies and data collection processes, identifying areas for improvement and implementing best practices. Compliance criteria will be assessed and enhanced to ensure alignment with branch, departmental, and corporate objectives, and also reflect industry standards and regulatory requirements. This will help to ensure overall process compliance and adherence to supply chain best practices.

The project will focus on refining data presentation and sharing methods, to make information more accessible and understandable for all business areas. This will enable staff to leverage the data more effectively, leading to improved insights and more informed decision-making.

Performance

	2022 Actual	2023 Actual	2024 Actual	2026 Target	2023-2026 Desired Trend
Competitive Procurement Cycle (in days)	183.1	180.9	176.5	TBD	↘
Competitive Procurements Value (in percentage)	95%	96%	92%	90%	↗
Deliveries On-Time and In Full (from CPSS to business areas)	78%	77%	79%	90%	↗

The competitive procurement cycle time demonstrates the number of calendar days required to complete a procurement from sourcing request to award (end-to-end). This measure offers insight into the efficiency of the necessary processes to procure goods or services. By monitoring cycle time and collaborating with the various internal business areas,

CPSS can identify opportunities for improvement.

The percentage of procurement by value measures how much CPSS sources to market compared to sole/single sources. Monitoring compliance with trade agreements and understanding the exceptions to those trade agreements is critical for ensuring compliance to administrative policy in public procurement.

Deliveries on-time and in full shows the percentage of items delivered by the Supply Chain Management team to business partners by the required date. This measure is used to assess service performance and identify improvement opportunities.

Emerging Opportunities and Risks

Emerging Opportunities
<p>Sustainable procurement: The branch seeks to leverage current purchases to create economic, environmental and social impacts in continued support of the Council Policy C556B - Sustainable Procurement. This will create pathways for the participation of Indigenous and local businesses in the City's procurement processes.</p>
<p>Cost savings and avoidance: Building on the momentum of the one-time Vendor Management Strategy, the branch plans to develop a cost savings and avoidance framework. This framework will inform and reinforce strategies and provide direction to identify, realize and report harvestable and non-harvestable cost avoidances and savings throughout the contract management lifecycle, from the first stages of procurement to the contract close-out.</p>
<p>Supply chain transformation: Prioritizing supply chain improvements based on opportunity and impact will enhance support for essential fleet operations by ensuring timely parts delivery, improving availability, managing funds responsibly and developing sustainable data-driven solutions through collaboration. A phased approach focusing on systems/warehouse technology, warehousing/distribution, and supply chain processes will increase efficiency and effectiveness to meet evolving and growing city needs through 2026 and beyond.</p>
Emerging Risks
<p>Tariff imposition: Significant labour resources are required across business areas to manage the impact of tariff impositions, aiming to control costs and maintain operational continuity. The City also faces global supply chain shortages, political instability, inflation and exchange rate fluctuations, all of which affect operations and operating budgets.</p>
<p>Gaps in cultural change management: Support for the new Sustainable Procurement Framework may result in slow implementation and acceptance by suppliers/vendors. CPSS is developing workshops to facilitate solution brainstorming and is engaging the business community to encourage widespread adoption through supplier/vendor workshops.</p>

Attachment 1

Inconsistent use and adherence to Supplier Performance Program evaluation: A lack of resourcing to support business areas may result in less effective contract management and financial loss. CPSS is mitigating this risk by encouraging regular meetings with suppliers to ensure alignment, installing the SPM program on all high-risk, high-value contracts and conducting ongoing reviews of deliverables and payments.

Keeping pace with supply chain demands required from the growing City: Demands have increased due to a growing number of fleet assets to maintain, facilities to service, asset types and innovative technologies to support, as well as aging assets requiring increased maintenance. The City needs to ensure sufficient resources, warehouse space and adequate technology is available to support these growing demands.

Branch - Corporate Procurement and Supply Services

Branch Summary by Account Category

(\$000)	2023 Actual	2024 Actual	2024 Approved Budget	2025 Approved Budget *	2026 Approved Budget *
Revenue and Transfers					
User Fees, Fines, Permits, etc.	573	690	400	400	400
Grants	-	-	-	-	-
Transfer from Reserves	-	-	-	315	-
Total Revenue and Transfers	573	690	400	715	400
Net Expenditure and Transfers					
Personnel	15,010	17,317	17,317	17,483	17,593
Materials, Goods and Supplies	3,279	553	898	898	898
External Services	90	205	372	687	372
Fleet Services	108	114	126	175	177
Intra-municipal Charges	121	207	103	103	103
Utilities and Other Charges	64	84	103	104	104
Transfer to Reserves	-	-	-	-	-
Subtotal	18,672	18,480	18,919	19,450	19,247
Intra-municipal Recoveries	(3,050)	(3,459)	(3,427)	(3,443)	(3,457)
Total Net Expenditure and Transfers	15,622	15,021	15,492	16,007	15,790
Total Net Operating Requirement	15,049	14,331	15,092	15,292	15,390
Full-time Equivalents - Union					
Full-time Equivalents - Union	134.0	145.0	145.0	149.0	151.0
Full-time Equivalents - Non-union	16.0	18.0	18.0	13.0	12.0
Full-time Equivalents - Total	150.0	163.0	163.0	162.0	163.0

* Approved Budget as of March 31, 2025

Branch - Corporate Procurement and Supply Services; Program - Procurement

Program Summary by Account Category

(\$000)	2023 Actual	2024 Actual	2024 Approved Budget	2025 Approved Budget *	2026 Approved Budget *
Revenue and Transfers					
User Fees, Fines, Permits, etc.	-	-	-	-	-
Grants	-	-	-	-	-
Transfer from Reserves	-	-	-	-	-
Total Revenue and Transfers	0	0	0	0	0
Net Expenditure and Transfers					
Personnel	4,404	4,430	4,539	4,688	4,651
Materials, Goods and Supplies	2,763	2	340	340	340
External Services	13	123	311	311	311
Fleet Services	-	-	-	-	-
Intra-municipal Charges	22	43	33	33	33
Utilities and Other Charges	37	31	68	68	68
Transfer to Reserves	-	-	-	-	-
Subtotal	7,239	4,629	5,291	5,440	5,403
Intra-municipal Recoveries	(2,313)	(2,316)	(2,284)	(2,287)	(2,289)
Total Net Expenditure and Transfers	4,926	2,313	3,007	3,153	3,114
Total Net Operating Requirement	4,926	2,313	3,007	3,153	3,114
Full-time Equivalents - Union					
	34.0	33.0	33.0	33.0	33.0
Full-time Equivalents - Non-union	6.0	6.0	6.0	6.0	6.0
Full-time Equivalents - Total	40.0	39.0	39.0	39.0	39.0

* Approved Budget as of March 31, 2025

Branch - Corporate Procurement and Supply Services; Program - Contract Management and Business Sustainment

Program Summary by Account Category

(\$000)	2023 Actual	2024 Actual	2024 Approved Budget	2025 Approved Budget *	2026 Approved Budget *
Revenue and Transfers					
User Fees, Fines, Permits, etc.	-	-	-	-	-
Grants	-	-	-	-	-
Transfer from Reserves	-	-	-	-	-
Total Revenue and Transfers	0	0	0	0	0
Net Expenditure and Transfers					
Personnel	3,351	4,856	5,499	5,383	5,369
Materials, Goods and Supplies	3	29	67	67	67
External Services	-	(18)	-	-	-
Fleet Services	-	-	-	-	-
Intra-municipal Charges	10	6	16	16	16
Utilities and Other Charges	6	22	5	5	5
Transfer to Reserves	-	-	-	-	-
Subtotal	3,370	4,895	5,587	5,471	5,457
Intra-municipal Recoveries	(117)	(518)	(518)	(527)	(534)
Total Net Expenditure and Transfers	3,253	4,377	5,069	4,944	4,923
Total Net Operating Requirement	3,253	4,377	5,069	4,944	4,923
Full-time Equivalents - Union					
	26.0	39.0	39.0	43.0	44.0
Full-time Equivalents - Non-union	6.0	8.0	8.0	3.0	2.0
Full-time Equivalents - Total	32.0	47.0	47.0	46.0	46.0

* Approved Budget as of March 31, 2025

Branch - Corporate Procurement and Supply Services; Program - Supply Chain Management

Program Summary by Account Category

(\$000)	2023 Actual	2024 Actual	2024 Approved Budget	2025 Approved Budget *	2026 Approved Budget *
Revenue and Transfers					
User Fees, Fines, Permits, etc.	573	690	400	400	400
Grants	-	-	-	-	-
Transfer from Reserves	-	-	-	315	-
Total Revenue and Transfers	573	690	400	715	400
Net Expenditure and Transfers					
Personnel	7,254	8,032	7,279	7,412	7,573
Materials, Goods and Supplies	513	522	492	492	492
External Services	77	100	61	376	61
Fleet Services	108	114	126	175	177
Intra-municipal Charges	89	165	53	53	53
Utilities and Other Charges	21	31	30	30	30
Transfer to Reserves	-	-	-	-	-
Subtotal	8,062	8,964	8,041	8,538	8,386
Intra-municipal Recoveries	(620)	(633)	(625)	(629)	(634)
Total Net Expenditure and Transfers	7,442	8,331	7,416	7,909	7,752
Total Net Operating Requirement	6,869	7,641	7,016	7,194	7,352
Full-time Equivalents - Union					
	74.0	73.0	73.0	73.0	74.0
Full-time Equivalents - Non-union	4.0	4.0	4.0	4.0	4.0
Full-time Equivalents - Total	78.0	77.0	77.0	77.0	78.0

* Approved Budget as of March 31, 2025