



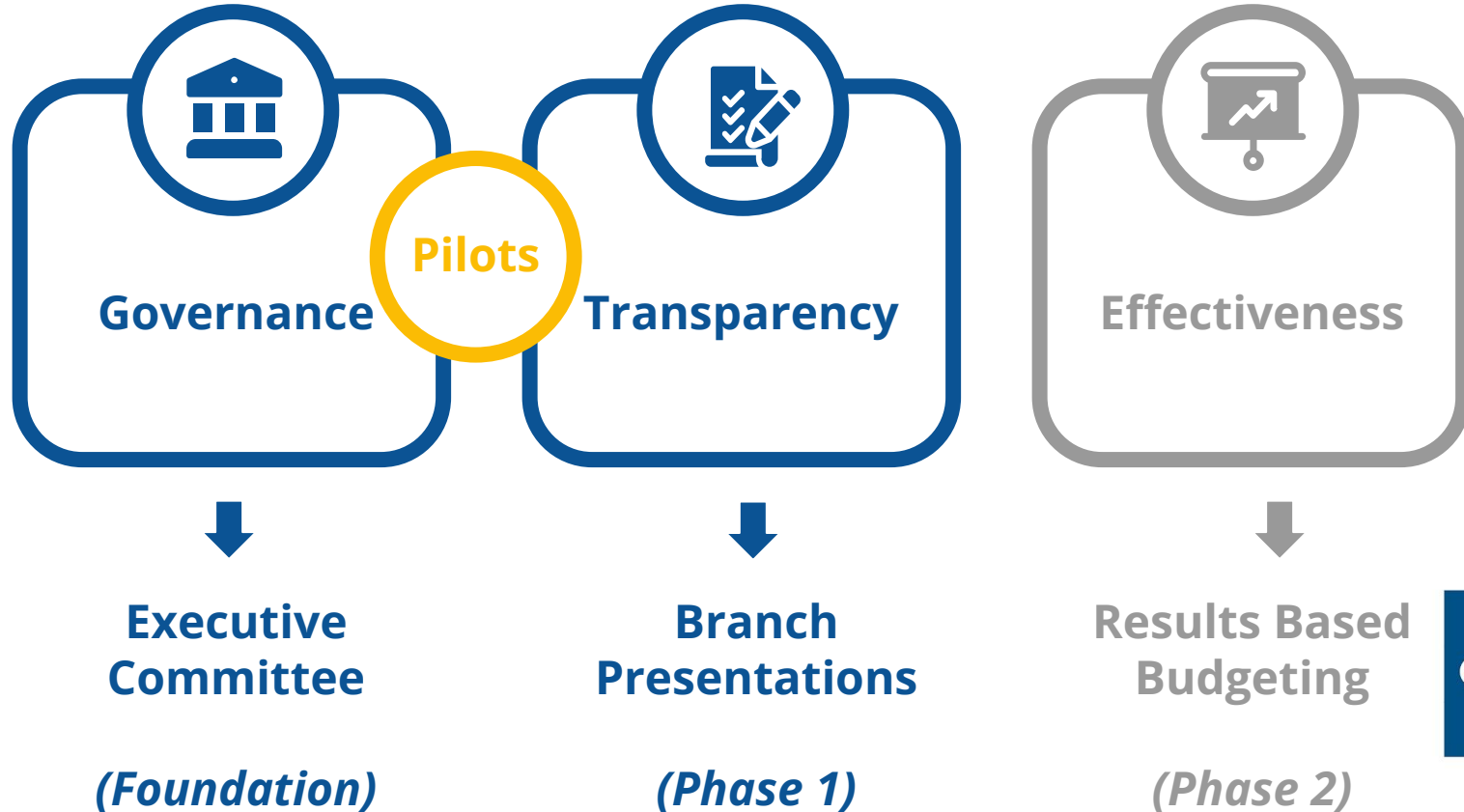
Corporate Procurement and Supply Services

Edmonton

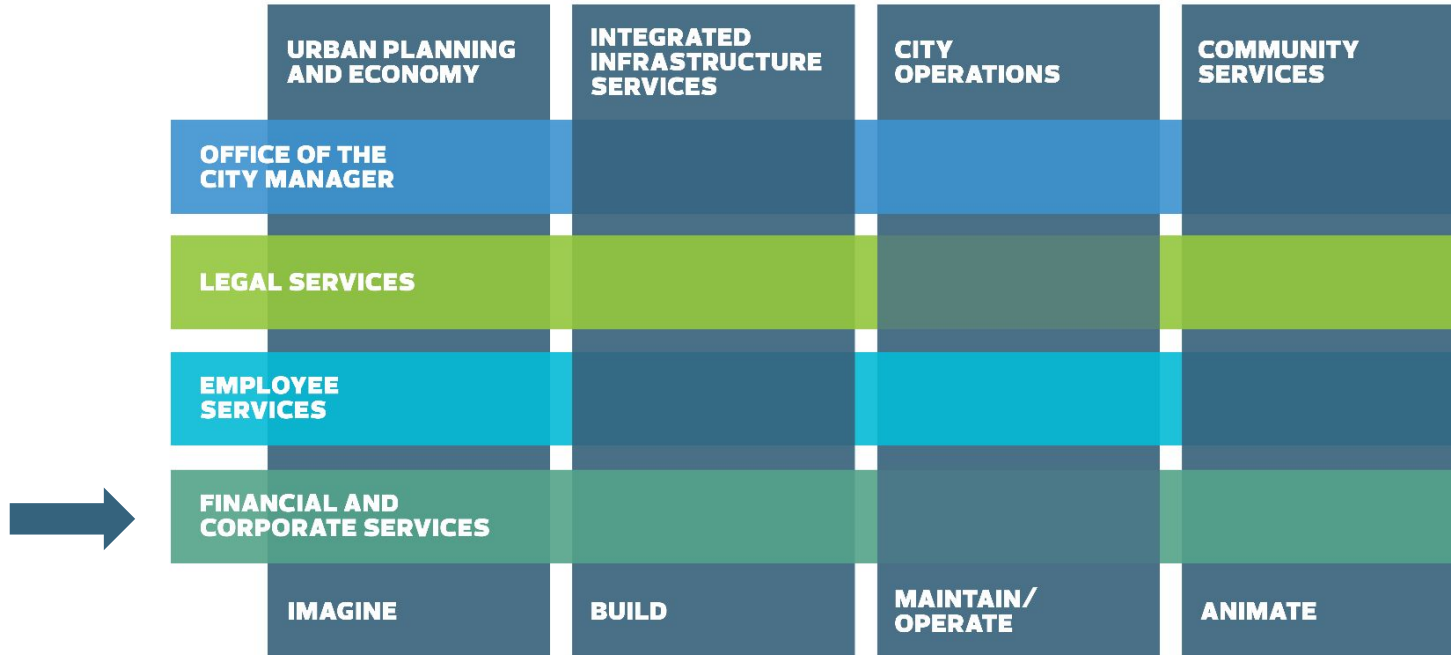
2025 Pilot Branch Budget Presentations

June 4, 2025

Preparing for 2027-2030 Budget



Functional Structure



Branch Overview

Compliance, Oversight and Reporting: Ensure compliance with trade agreements, legal requirements, segregation of duties, and internal policies, generate performance monitoring reports, assess performance against benchmarks and policies.

Procurement

- Govern and oversee City procurement
- Ensure open, fair, and transparent process
- Provide procurement advisory services for organization
- Manage competitive and non-competitive processes (market sounding, RFPs/tenders, negotiation, awards)
- Oversee the Sustainable Procurement policy

Contract Management

- Manage corporate contracts
- Govern related policies and processes
- Provide contract support, advice, training, and guidance
- Facilitate supplier enablement including performance management
- Provide SAP Ariba support and training
- Manage SAP ECC supply chain tickets

Supply Chain Management

- Provide warehousing, inventory management, category management, operational purchasing and logistics services.
- Support critical fleet operations including those in emergency services, Edmonton Transit Service and LRT, Waste Services, and Parks and Roads Services.
- Ensure Business Areas have access to the right parts, products and goods, at the right time, cost, and quantity.
- Manage the WHMIS safety program, asset recovery and disposal, customs and mail services for the City.

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%

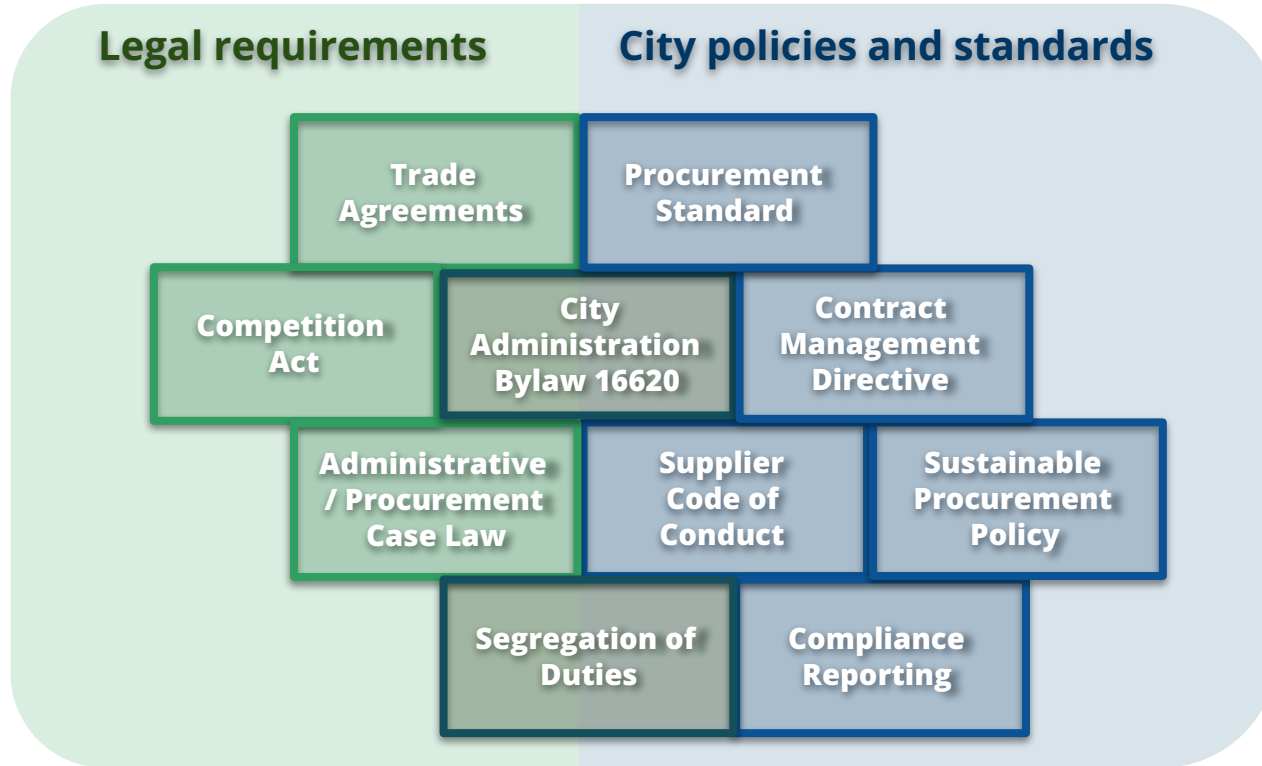
of competitive
procurements
included
sustainable criteria

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

CORPORATE PROCUREMENT AND SUPPLY SERVICES
2024 DATA

Edmonton

Legislative and Compliance Requirements

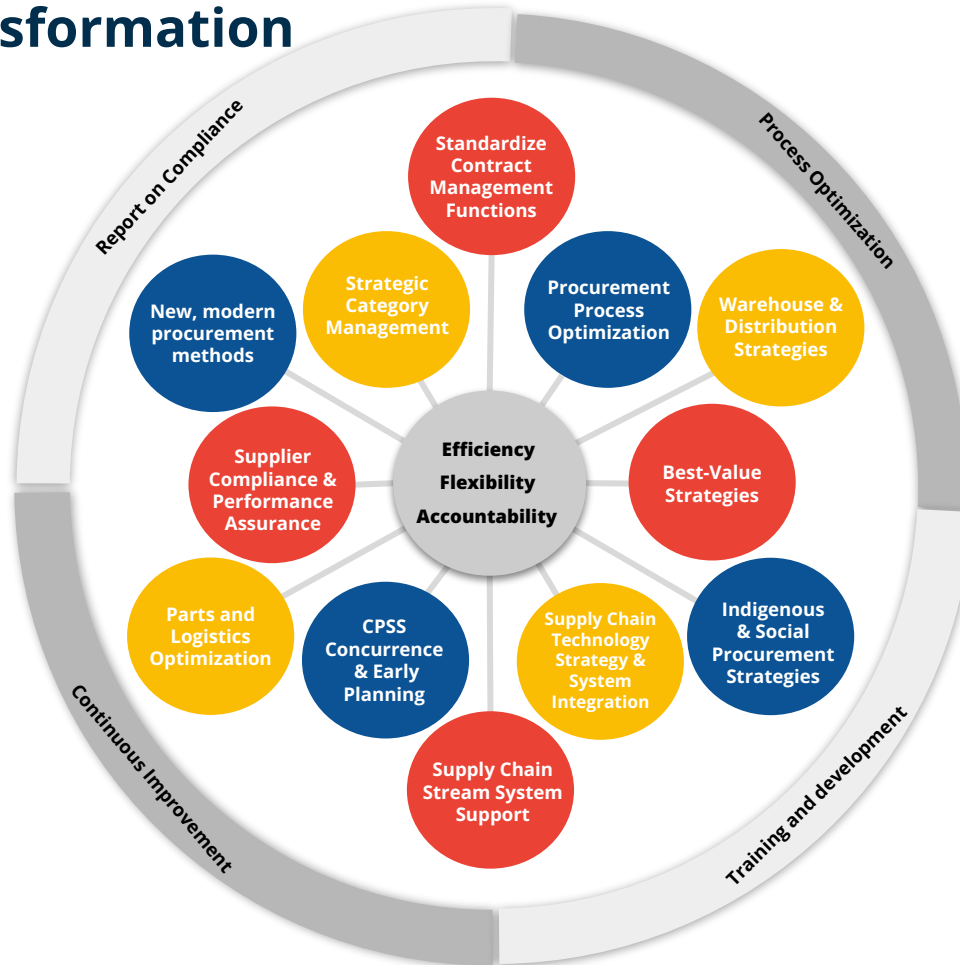


CPSS Audit Observations & Recommendations Themes

- Procurement & Contract Management Processes
- Supplier Compliance
- Value for Money
- Best Practices
- Risk Management
- Fraud Prevention
- Internal Controls
- Segregation of Duties
- Transparent, Fair & Open Procurement

Upcoming CPSS Audits: *SAP Ariba (June 2025) and Standing Agreements (2026)*

CPSS Transformation



CPSS Transformation Work

Completed

Procurement

- Unsolicited proposal process
- Non-competitive CPSS concurrence process
- Procurement planning & early engagement
- Standing Arrangements review & improvements (Ph 1)
- Selling to the City updates
- Low-value threshold change from \$25-75K

Contract Management

- Contract management centralization
- Ariba Supplier enablement
- Phase 1 organizational design and changes
- Discovery of process improvements
- Best Financial Strategy
- Reporting and Analytics framework
- EC Project Support
- SPM Framework update

Supply Chain Management

- Transformation program initiation, framework and goals
- Non-stock parts process improvement
- Rush order identification process plan
- Supplier Performance reporting
- Value stream data collection
- Contract Segmentation Tool development
- Parts Backlog Dashboard development

In progress

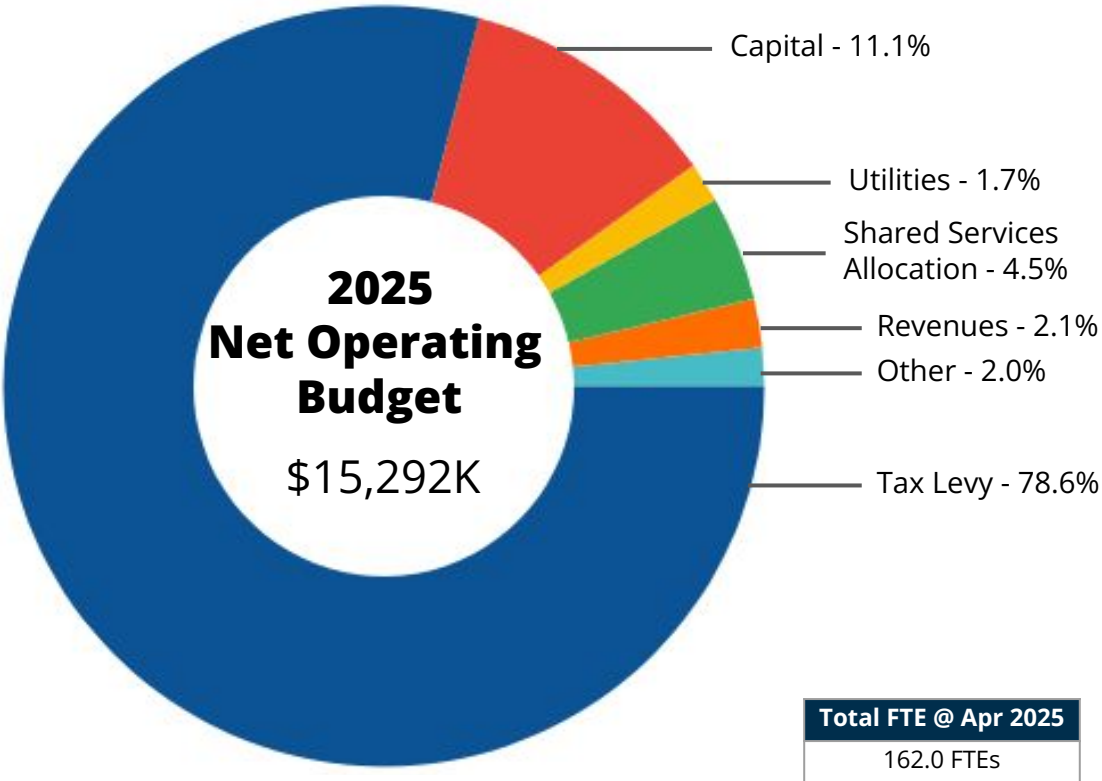
- End-to-end procurement review
- Non-competitive procurement process improvements
- APC posting consistency
- Low-Value Purchase Guideline improvements
- Sustainable Procurement Menu enhancements
- Indigenous Set Asides Approach implementation
- Standing Arrangements review & improvements (Ph 2)
- Continued Selling to the City updates

- Supplier Performance Management program augmentation
- Contract management standardization
- Contract Management Standard
- Reporting and compliance enhancements
- EPS/EPL SAP Ariba Rollout
- Living wage compliance
- Negotiation strategy enhancements

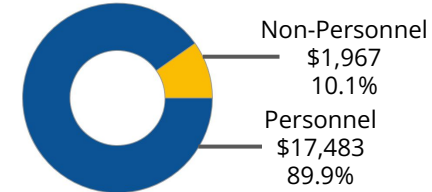
- Rush order identification process implementation
- Warehousing and Distribution Model, Warehouse Technology, and Service Optimization scope of work
- Category Management Framework
- Contract Segmentation Tool implementation
- Parts Backlog Dashboard implementation
- Value stream data measurement and mapping
- Root cause analysis and projects identified

Funding Model Summary

Corporate Procurement & Supply Services



2025 TOTAL BUDGET EXPENDITURES (000's)

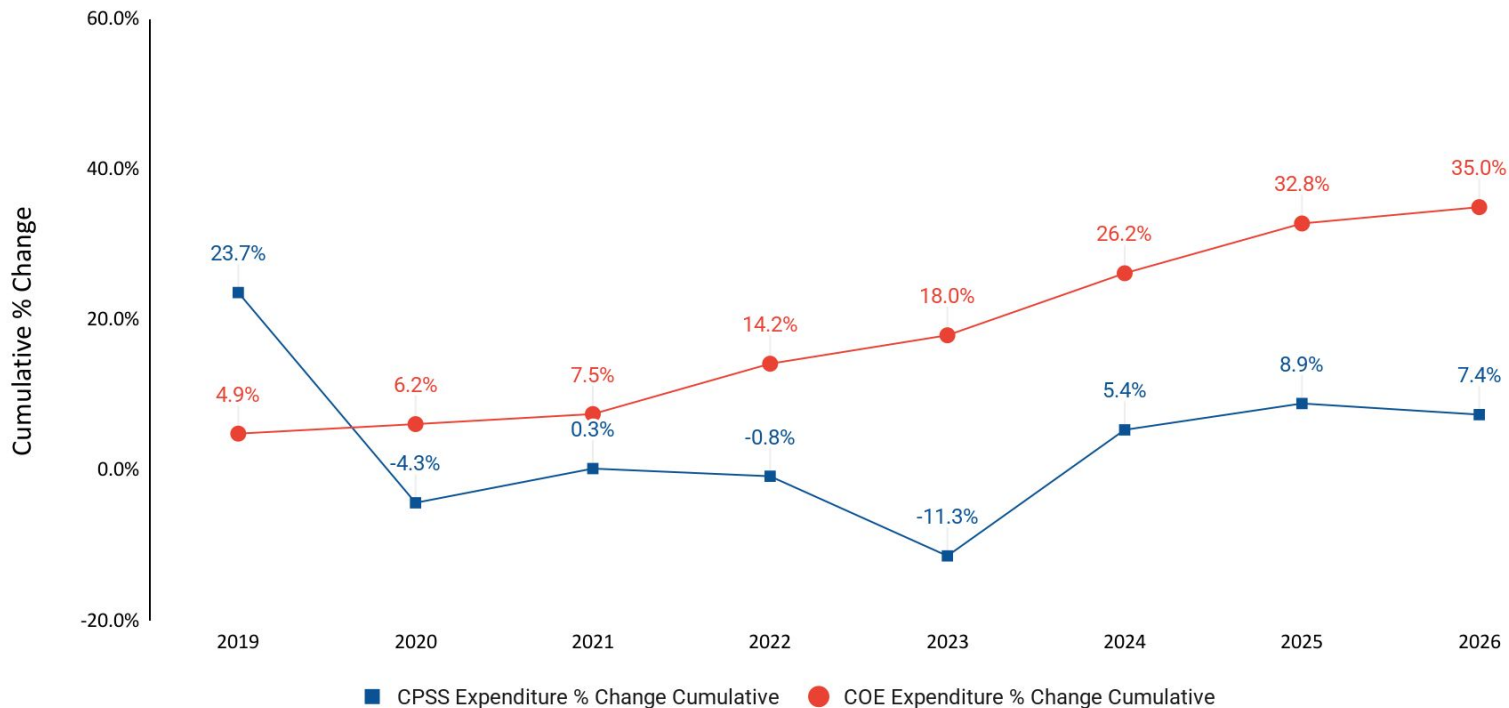


Recoveries	\$3,443
Revenues	\$715

Cost Drivers	Funding Model
<ul style="list-style-type: none">Procurement/Contract requirements from business areasLabour/Freight and equipment costsInventory management (including surplus disposal)Operational demand affecting Warehousing and logistics operations (City Ops).Service Level Commitments for more value-added services	<p>Mostly tax levy + recoveries from capital</p> <p>Approved Net Operating Requirement 2025: \$15.3M</p>

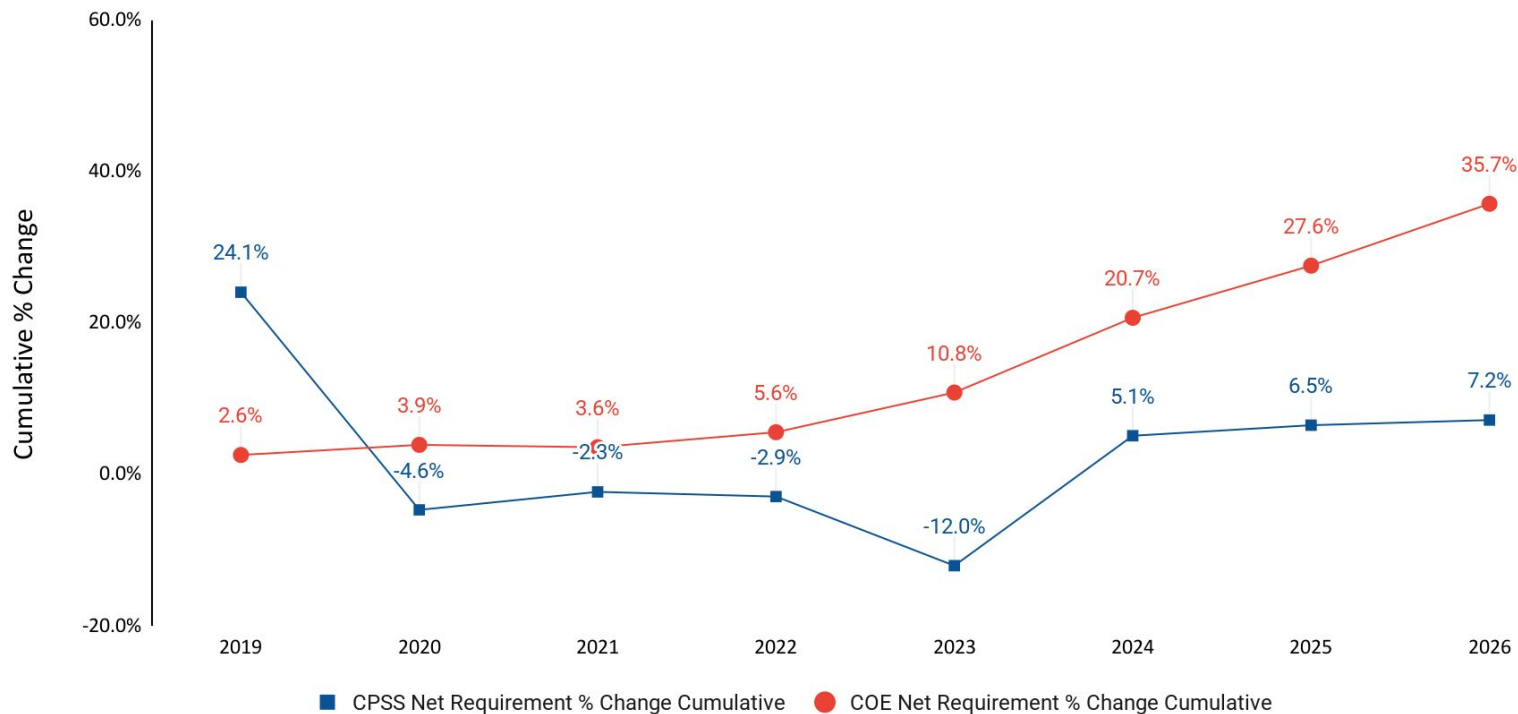
Budget Trend - Branch versus Corporate

(Cumulative Change - Expenditures)



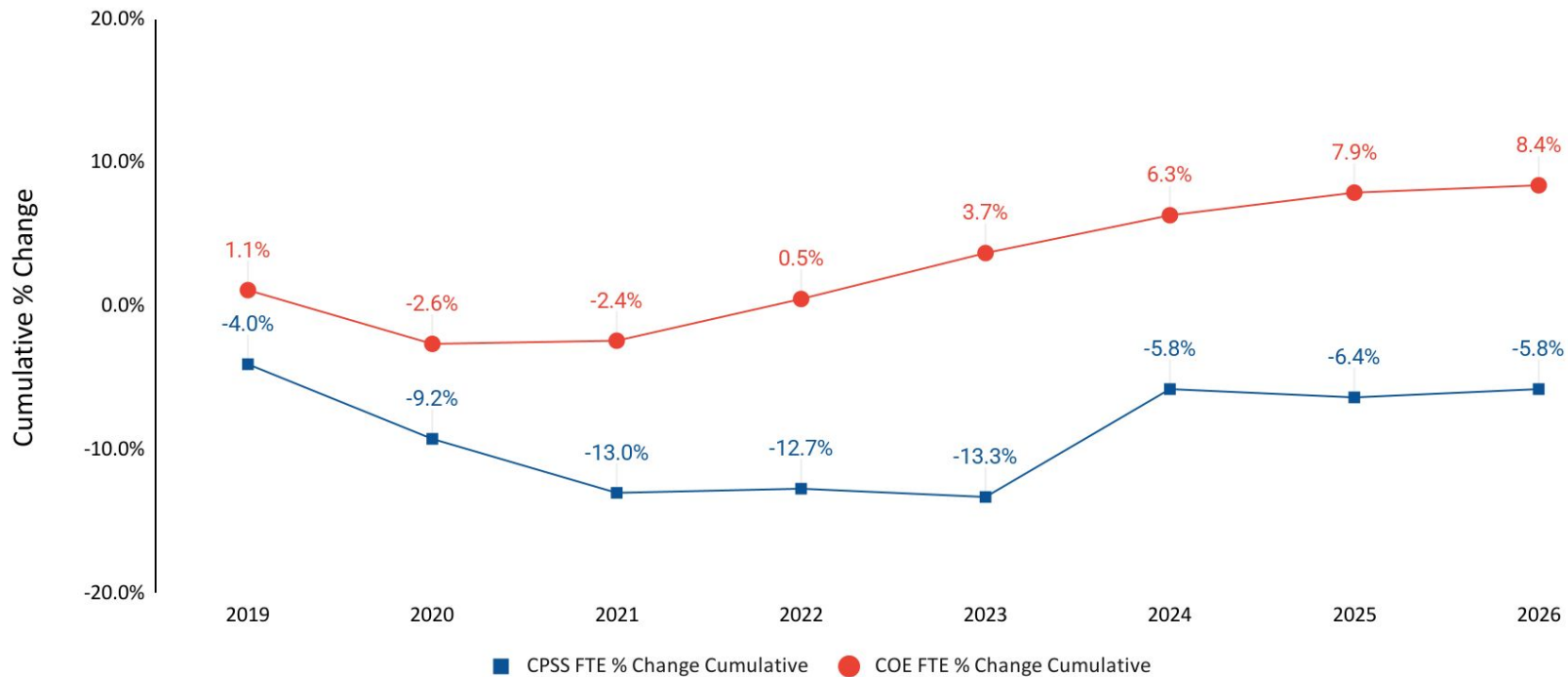
Budget Trend - Branch versus Corporate

(Cumulative Change - Net Requirement)



Budget FTE Trend - Branch versus Corporate

(Cumulative change)



CPSS Branch Structure Overview

Total FTE: 162

Branch Manager (1), Director (3), Manager (7), Superintendent (1), Strat. Coordinator (1)

FTE: 13

Union Supervisors, Leads and Forepersons

FTE: 14

Procurement Example Roles

- Buyers
- Sustainable Procurement Leads

FTE
32

Supply Chain Management Example Roles

- Buyers
- Parts Technicians
- Warehouse Technicians
- Couriers
- Analysts
- Clerks

FTE
68

Contract Management & Business Sustainment Example Roles

- Buyers
- Analysts
- Clerks
- Contract Administrators

FTE
35

8.1%
MGMT

91.9%
UNIONIZED

CITY OF EDMONTON

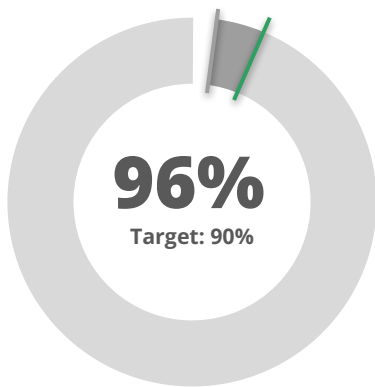
10%
MGMT

89.7%
UNIONIZED

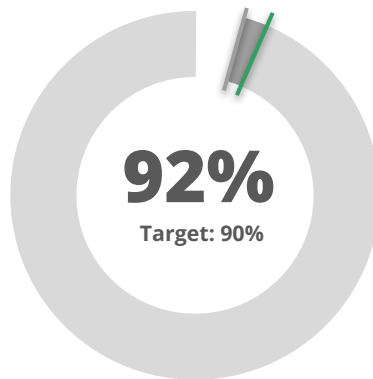
0.3%
OOS

Edmonton

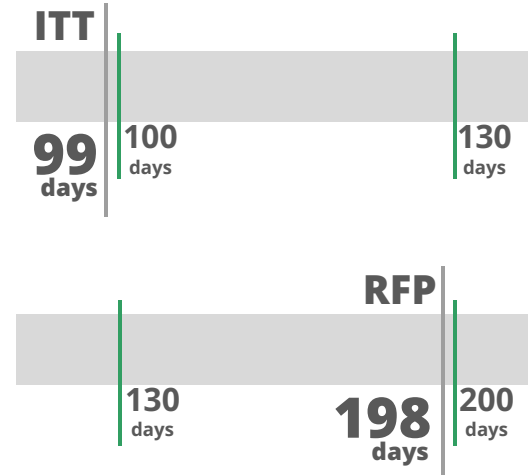
Enterprise Performance Measures: Procurement



Competitive Procurements
(by value)



Sustainable Procurement
Incorporation:



Competitive Procurement Cycle time

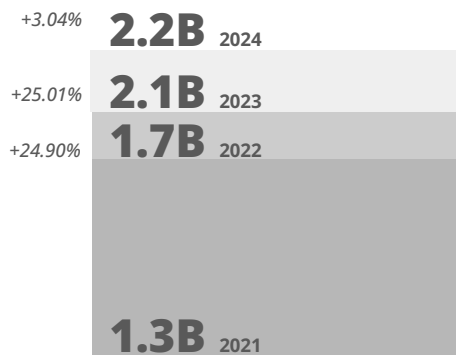
Risks

Failure to follow proper procurement procedures · Navigating the tariff imposition

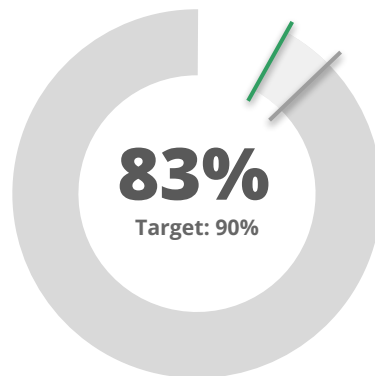
Bench- marking

The comparison and benchmarking data is being established.

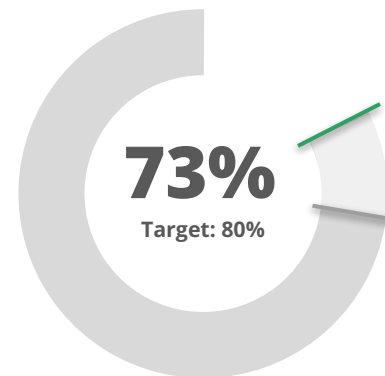
Enterprise Performance Measures: Corporate Contract Management



Total Annual Spend
(invoiced)



Suppliers in the SPM program
have a SPR of 80% or higher



SAP Ariba and ECC tickets
closed in 5 days or less
(total tickets)

Risks

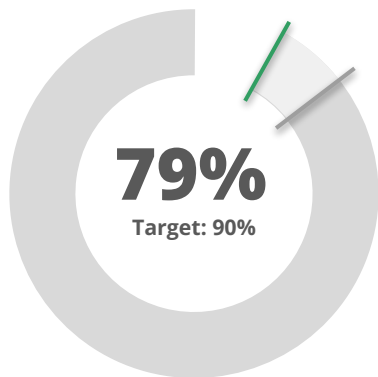
*Inconsistent contract management practices · System integration gaps ·
Limited participation in SPM program · Addressing tariff impacts*

Bench- marking

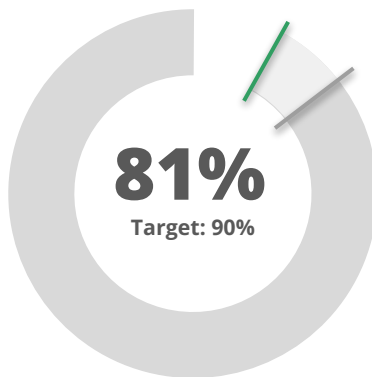
The comparison and benchmarking data is being established.

Enterprise Performance Measures:

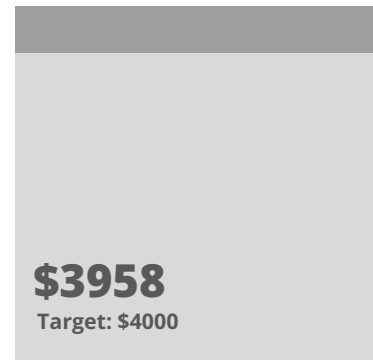
Service: Warehousing and Logistics



Deliveries On Time & In Full Rate



Managed Supply Chain Spend



Inventory Value per Maintained Asset

Risks

Global Supply Chain shortages · Increased service demand due to aging fleet and growth · New technologies and specialized markets

Bench- marking

The comparison and benchmarking data is being established.

Integration with Capital and Carbon Budget

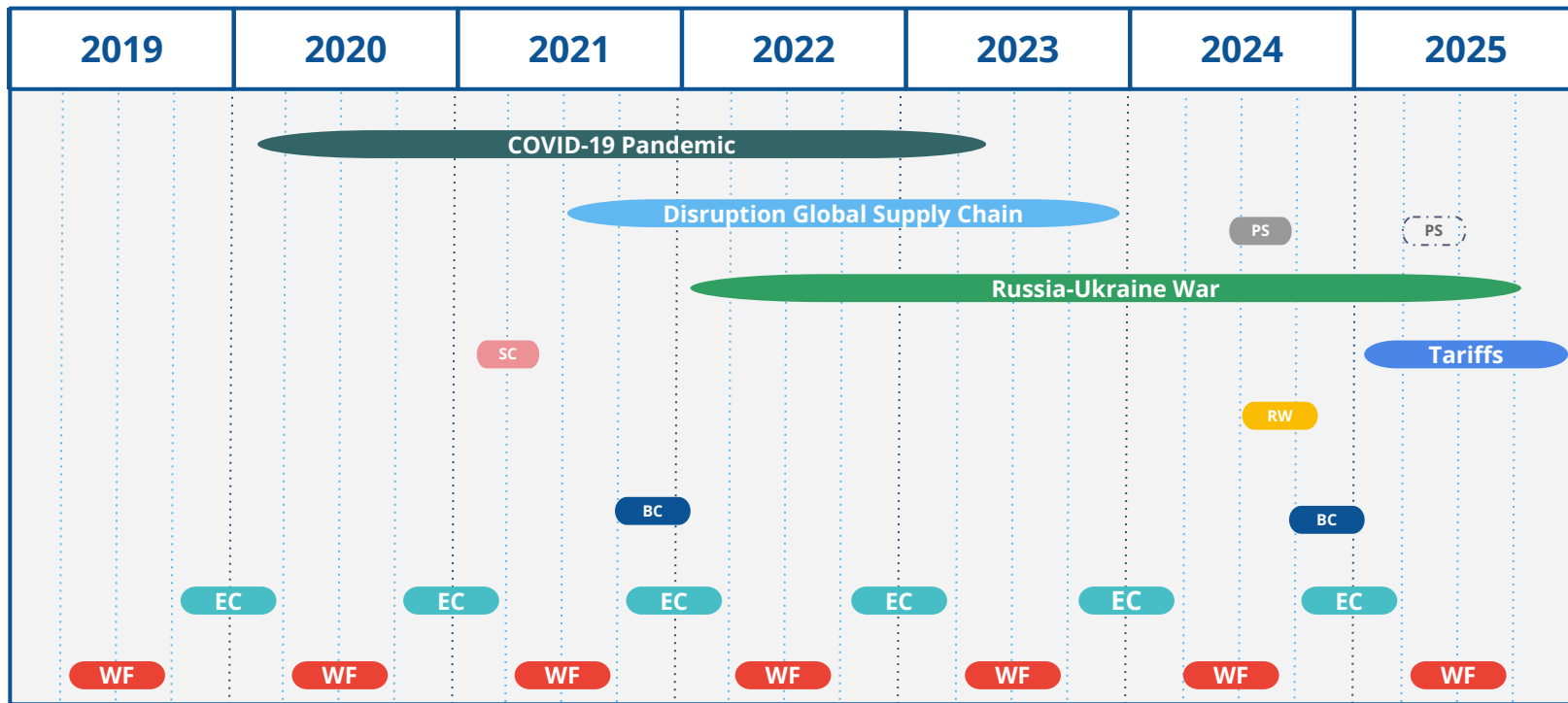
Capital budget

- CPSS provides Procurement support and guidance for all capital projects
- The Procurement process ensures capital budget requirements are met

Climate budget

- The City's **Sustainable Procurement Policy - C556C** creates intentional positive environmental, social, and economic impacts through procurement activities.
- Implementation includes Environmental considerations such as Energy Efficiency and Emissions Management

Major Global Events & Cost Drivers



WF - Wildfire season

BC - British Columbia Floods

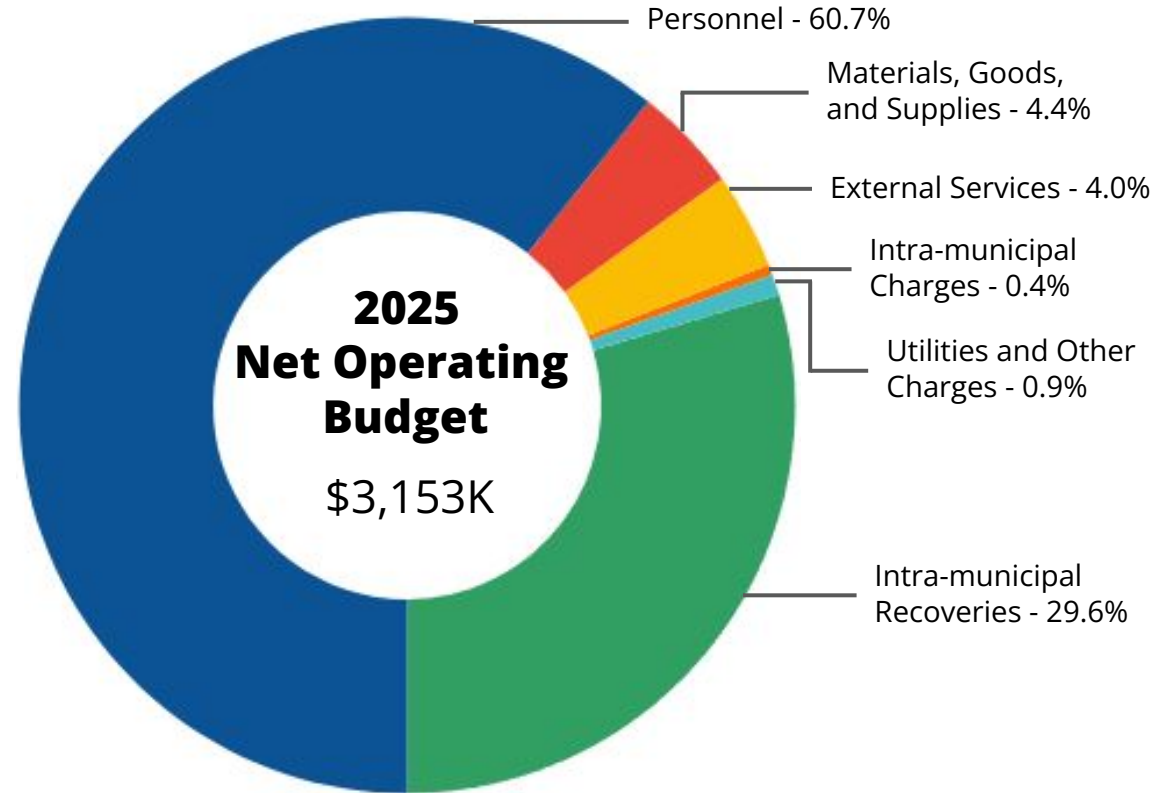
SC - Suez Canal Port Blockage

PS - Canada Post Strike

RW - Railway Labour Disputes

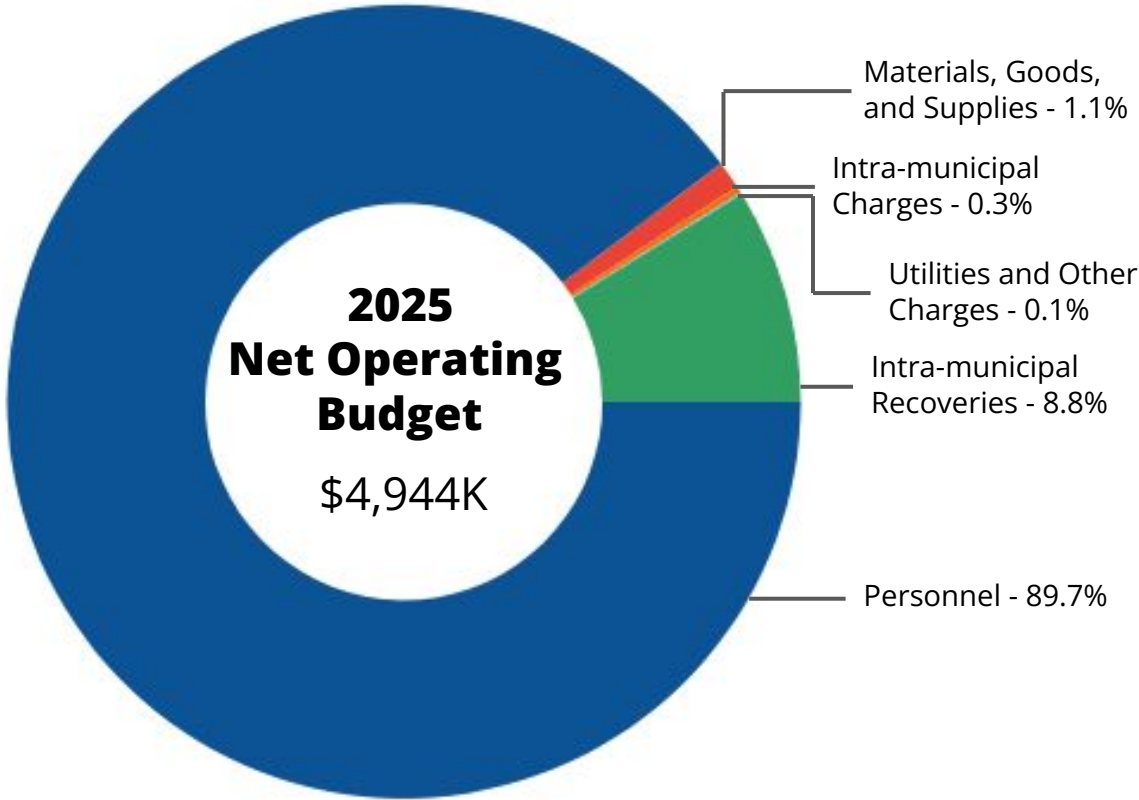
EC - Extreme Cold

Procurement Overview



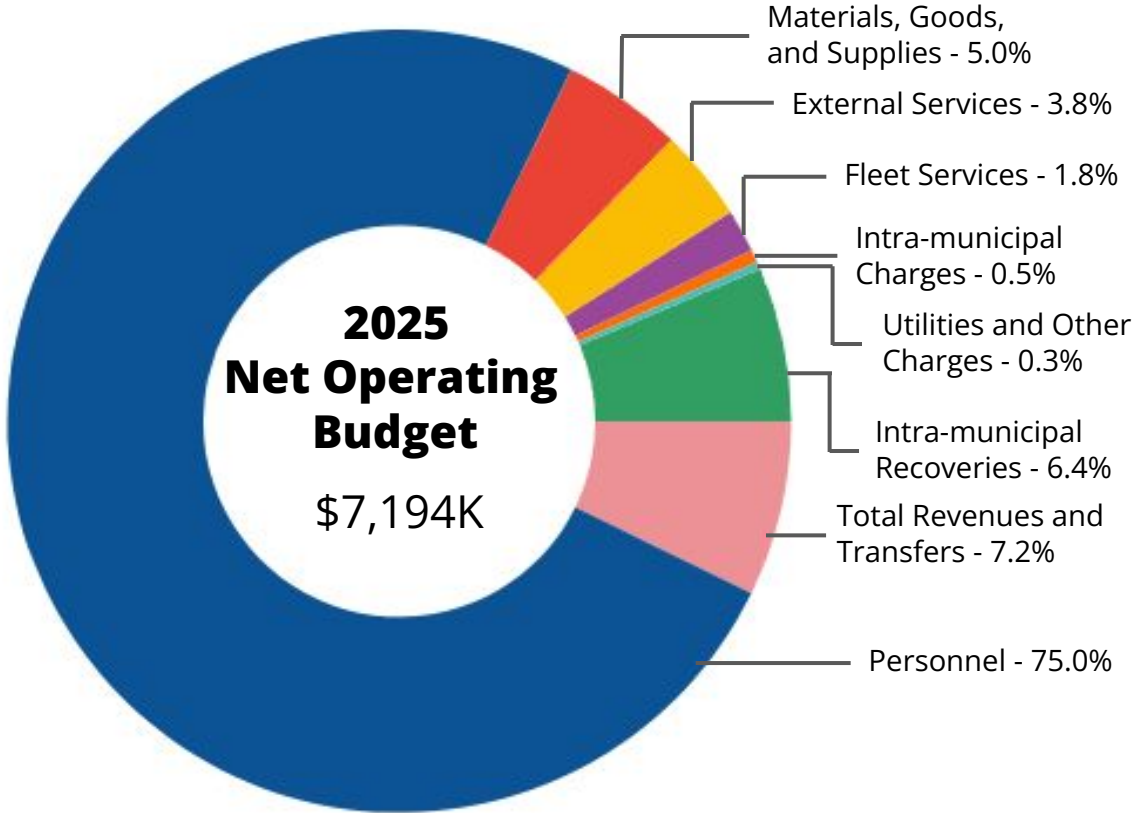
Key Activities	
Contract sourcing, tender management, technical / price evaluations, contract / price negotiation, and contract awards	
Cost Drivers	
<ul style="list-style-type: none">• Number of procurements and annual value• Growth in capital projects• Resources to support new initiatives such as modernizing procurement practices, developing additional procurement processes (g. Unsolicited Proposal Process)• Sustainable Procurement policy implementation• Supplier outreach (Purchase with Purpose Networking Event; Selling to the City Sessions; Meeting Suppliers and Industry/Business Associations)• Compliance oversight and reporting / Council reporting• Complexity of emerging demands and timeline related to advanced procurement methods	
Funding Model	Total FTEs
Mostly tax levy + recoveries from capital	39.0 FTEs As of Apr 2025
Approved Net Operating Requirement 2025: \$3.2M	

Contract Management and Business Sustainment Overview



Key Activities	
Governance and management of City contracting and contracts	
Cost Drivers	
<ul style="list-style-type: none">• Number of active of contracts• Volume of Negotiations, Amendments, Renewals, and Extensions• Volume of new Suppliers requiring training/support• Total annual contract spend (invoices paid)• Volume of Ariba remedy tickets• Responding to global events and supply chain implications• Monitor and lead corporate contract management efforts in response to tariffs	
Funding Model	Total FTEs
Mostly tax levy	46.0 FTEs As of Apr 2025
Approved Net Operating Requirement 2025: \$4.9M	

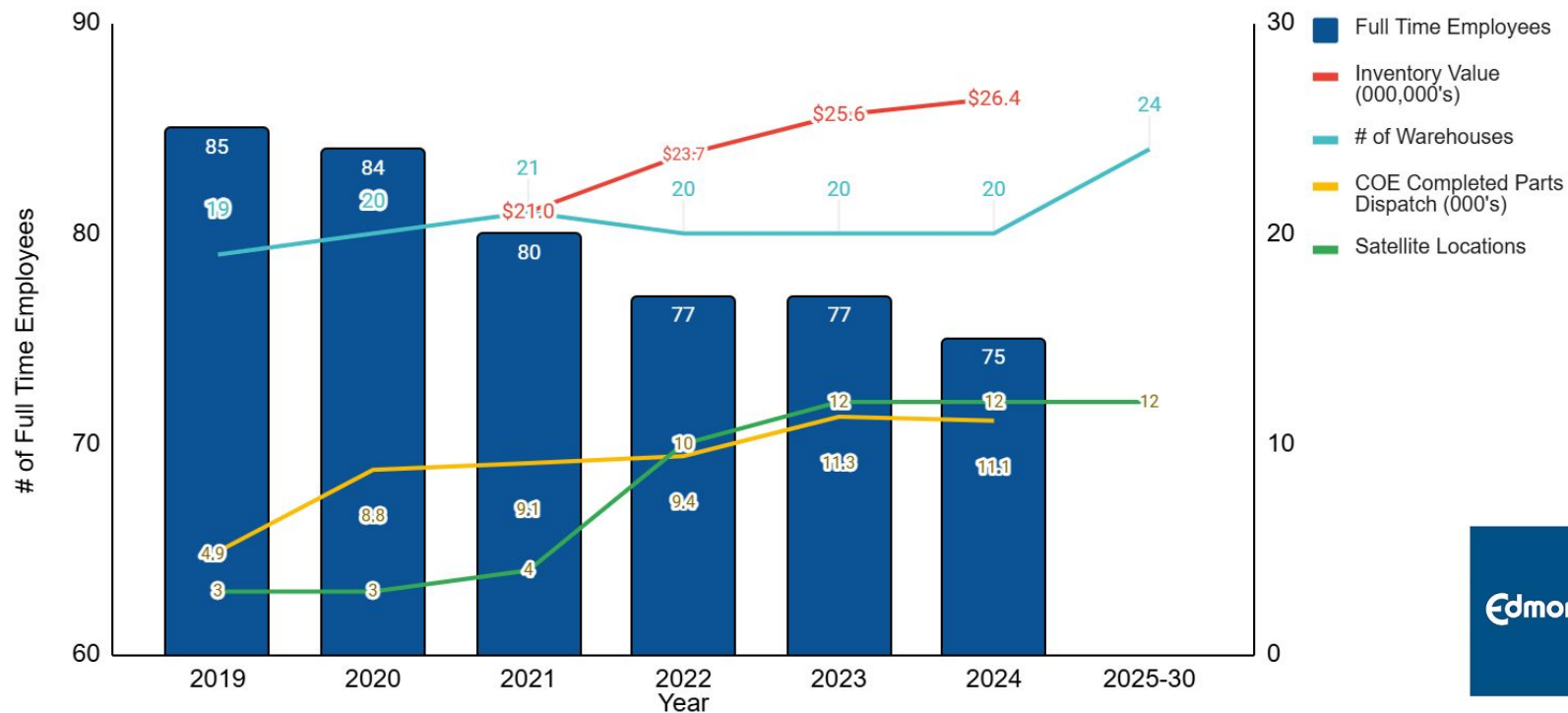
Supply Chain Management Overview



Key Activities	
Logistics for access to parts, products and goods	
Cost Drivers	
<ul style="list-style-type: none">• Number of assets serviced• Number of categories/items managed• New/innovative technologies serviced• Inventory value growth and management• Supplier management of freight, inflation, and tariff costs• Asset Age• Facility Growth and locations supported• Number of mail deliveries, customs imports and courier requests• Labour and equipment costs• Exchange Rate Fluctuations• Limited/specialized markets• Global Events: Pandemics, natural disasters, and geopolitical instability	
Funding Model	Total FTEs
Mostly tax levy	77.0 FTEs As of Apr 2025
Approved Net Operating Requirement 2025: \$7.2M	

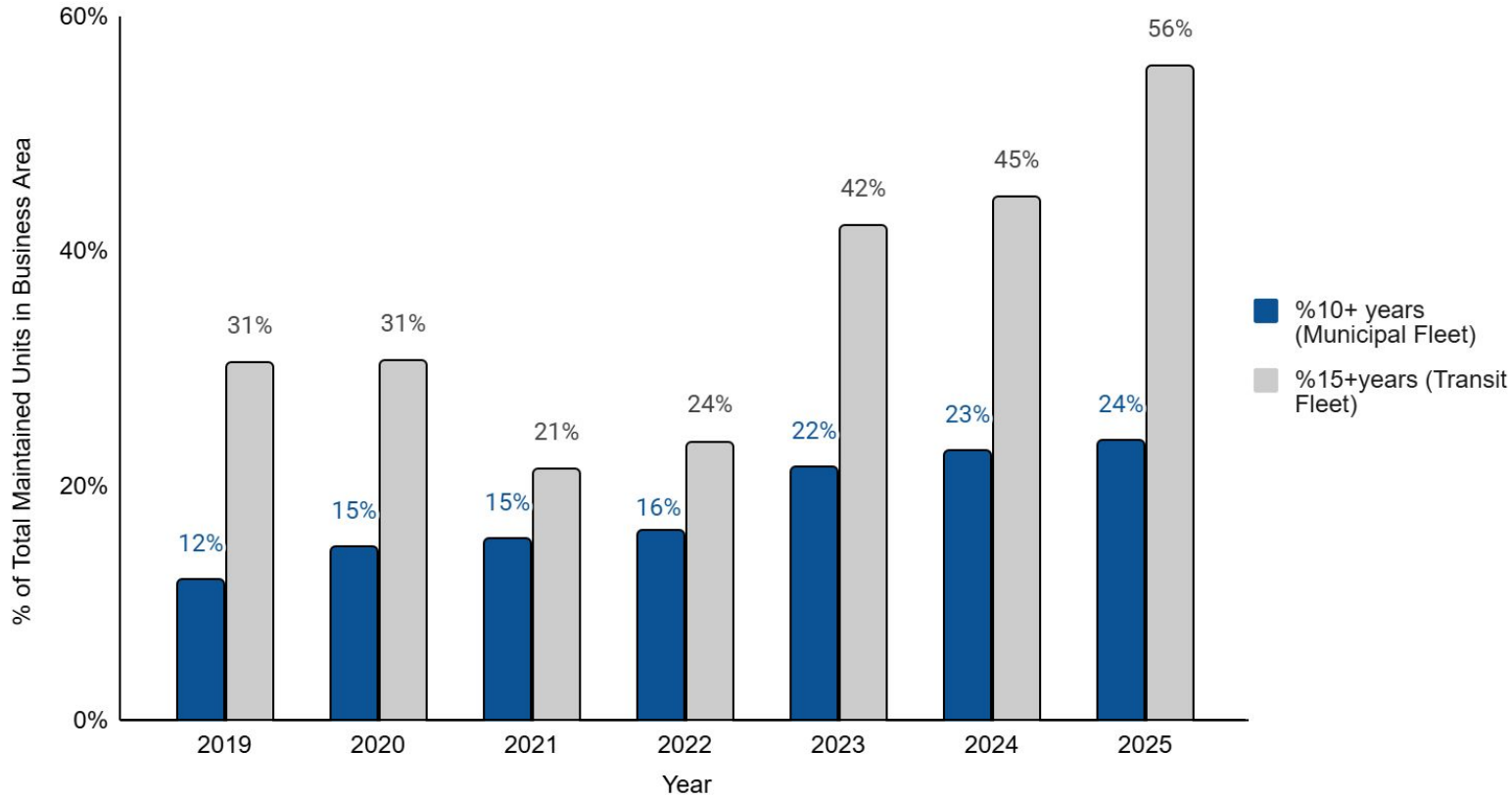
Supply Chain Management Cost Drivers

Comparison to Full Time Employees



Supply Chain Management Cost Drivers

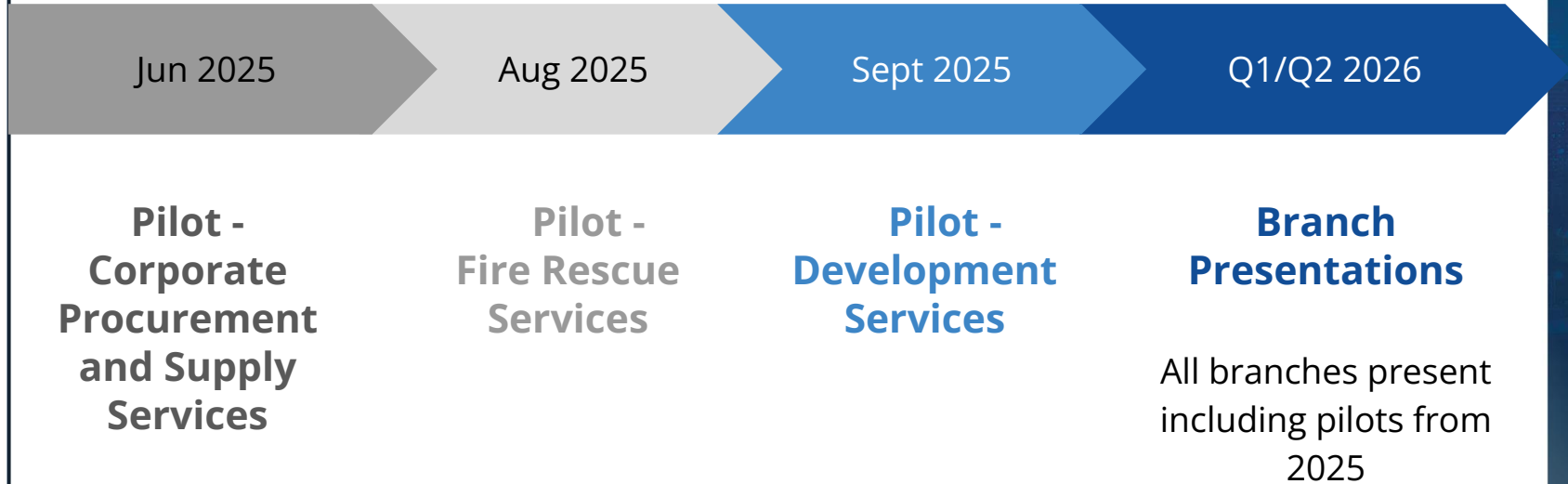
Aging Units as a Percentage of Maintained Fleet



CPSS Budget Reductions (2019-2026)

Time Period	Cost Reduced	Full-Time Equivalent	Description
2019-2022	\$1.4M	11.0	Workforce Strategies
2019-2022	\$0.4M	-	Corporate Printers Rationalization
2019-2022	\$0.1M	-	Courier Services
2021-2022	\$0.5M	5.0	Workforce Transition Program
2021-2022	\$0.2M	-	Digital Print Centre Closure
2024-2026	\$0.4M	3.0	Contract Management Centralization
2024-2026	\$0.2M	2.0	Workforce Strategies (OP12)
Total	\$3.2M		

Next Steps



2025 Pilot Purpose: To determine if the level of information provided would provide sufficient information for Council to make informed decisions and recommendations.



Thank you
Questions?

Edmonton