



2024 to 2027 Business Plan

Service: Purchasing

\$0.02

Cost per day for the
average rate payer
(2024 to 2027)

0.19%

Of the 2024 to 2027
City of London Net
Property Tax
Supported Budget

Who we are:

- Purchasing assists all City Service Areas with the procurement of goods and services and inventory management through the issuance of purchase orders, the receipt and warehousing of Stores items and the issuance of inventories to City Service Areas.

What we do:

- Maintain, implement, and make recommendations on updates to the City's Procurement of Goods and Services Policy.
- Ensure Service Area procurements are conducted in compliance with the Procurement of Goods and Services Policy.

- Purchasing contributes towards the acquisition of goods and services and provides supply services using publicly competitive procurement processes that provide the best total value possible while ensuring the needs of City Service Areas are met.

Why we do it:

- **Mandatory** – In accordance with the Section 270 (1) 3 of the Municipal Act, Purchasing maintains and makes recommendations to Municipal Council regarding the Procurement of Goods and Services Policy, ensuring compliance with trade agreements and public procurement practices which inform the City’s procurement processes. Effective procurement processes are essential in ensuring that the City has fair, efficient and effectively acquired the goods and services required to support the delivery of municipal services as planned in compliance with applicable legislation and trade agreements.

The following table provides an overview of the budget for this service:

Budget Summary (\$000's)	2024	2025	2026	2027	2024 to 2027 TOTAL
Gross Operating Expenditures	\$2,290	\$2,345	\$2,407	\$2,415	\$9,457
Other Revenues	-\$749	-\$773	-\$785	-\$803	-\$3,110
Net Tax Levy Supported Operating Budget	\$1,541	\$1,572	\$1,622	\$1,612	\$6,347
Total Capital Expenditures	\$0	\$0	\$0	\$0	\$0
Full-Time Equivalents (FTE's)	24.7	24.7	24.7	24.7	N/A

Reflects Draft 2024 to 2027 Multi-Year Budget – December 12, 2023.

Linkage to the 2023 to 2027 Strategic Plan

This service supports the following Strategic Areas of Focus in the 2023 to 2027 Strategic Plan:



**Reconciliation, Equity,
Accessibility, and
Inclusion**



**Economic Growth, Culture,
and Prosperity**



**Housing and
Homelessness**



**Mobility and
Transportation**



Wellbeing and Safety



**Climate Action and
Sustainable Growth**



**Safe London for Women,
Girls, and Gender-Diverse
and Trans People**



Well-Run City

Environmental, Socio-economic Equity and Governance (ESG) Considerations

Environmental, Socio-economic Equity and Governance Profile for this service:



Environmental:

- Motivate suppliers to take environmental responsibility to reduce the impact of their products and services as well as their overall operations or “in-house” practices on the environment.
- Enhance procurement practices to align with existing City sustainability initiatives, such as Leadership in Energy and Environmental Design (LEED) green building design and E3 Fleets.
- Participation in Canadian Collaboration for Sustainable Procurement (CCSP) which focuses on the four pillars of sustainable procurement and environmentally preferable procurement practices; 1) Environmental Procurement, 2) Social Procurement, 3) Indigenous Procurement, 4) Ethical Procurement.

Socio-economic Equity:

- Participation in the CCSP initiative which focuses on ethical, social, and indigenous procurement as well as new trends such as the circular economy and living wage initiatives.

Governance:

- Compliance to legislation such as The Municipal Act, Public Services of Ontario Act and the Supply Chain Management Act.
- Compliance to trade agreements such as the Canada Free Trade Agreement (CFTA), Canada-European Union Comprehensive Economic and Trade Agreement (CETA) and United States-Mexico-Canada Agreement (USCMA).
- Monitoring of best practices and industry related precedent setting legal decisions identified within the public procurement industry.
- Compliance report submitted annually to Council in accordance with the Procurement of Goods and Services Policy.

The following section provides an overview of the key activities the service plans to undertake from 2024 to 2027 to implement the Corporation's 2023 to 2027 Strategic Plan, as well as an overview of the risks and challenges the service is anticipated to experience during this period:

Service Highlights 2024 to 2027

- Updating processes and practices in accordance with changing Trade Agreements, ensuring compliance with a focus on the Canadian Free Trade Agreement (CFTA) and the Comprehensive Economic and Trade Agreement (CETA).
- Continued review and refinements to the Procurement of Goods and Services Policy and processes to identify opportunities for improvement in sourcing, contract management, vendor performance management and contractor safety management. An expert Procurement consultant will be engaged to conduct the analysis and improvements, as well as develop an updated package of competitive bidding templates and a new package of standard master procurement agreements (contracts).
- Annual updates to Procurement Policy informed by participation in the Canadian Collaboration for Sustainable Procurement (CCSP).
- Contributions to the City's Climate Emergency Action Plan through the establishment of appropriate performance indicators and annual targets for the phased implementation of the Sustainable Purchasing section to the Procurement of Goods and Services Policy
- Implementation of a Contractor Safety Program with the onboarding of a Vendor Performance Officer.
- Exploring procurement partnerships where viable and or providing advice with Boards and Commissions (London Police Service, London Public Library, London Transit Commission, London and Middlesex Community Housing Corporation).

Risks and Challenges Anticipated in 2024 to 2027

- New legislative requirements and responsibilities as set out by other levels of government.
- Increase in legal challenges of procurement processes and practices of publicly funded organizations in Canada.
- Volatility in commodity pricing as a result of trade tariffs and foreign currency fluctuations, mainly the U.S. dollar and the Euro.
- Ongoing supply issues and delays of a wide variety of goods, services and commodities, impacted by environmental and geopolitical unrest as well as global health concerns.
- Acceptance of common policy and processes by Boards and Commissions.

- Tight labour market compounded by the current work force demographic in this area.
- Modifications to existing City Services that could have an impact on Procurement and Supply Services.

Other reference information and links:

- City of London - Internal Audit – Vendor Risk Management Audit, 2023.
- Canadian Collaboration for Sustainable Procurement (CCSP) link to [Canadian Collaboration for Sustainable Procurement - Reeve Consulting](#).

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