



CITY OF NANAIMO

SUPPLY MANAGEMENT OPERATIONS UPDATE

SGW Management Services Inc.

- Established 2007
- Principal: Stuart Wright, CD, MBA, P.Log, CPIM, CAPM
 - 17 years in project management, consulting and business advisory services
 - 20+ years supply chain management experience for government and business
 - Certified in Logistics, Supply Chain Management, Project Management
 - Master's degree in Business Administration (International Business)
 - Expertise in:
 - Contract Management, Public Tendering, Earned Value Management, Strategic Procurement
- Associate: Paul Warren, SCMP, C.P.M.
 - 30+ years supply chain management experience
 - Certified Supply Chain Management professional (Canada & US)
 - Public Procurement (City of Calgary, City of Airdrie, Regional Municipality of Wood Buffalo)
 - Expertise in:
 - Business Process Analysis and Design
 - Strategic Procurement
 - Contract Management
 - Sustainable Procurement

POLICY UPDATE

Draft Revision of Purchasing Policy

For Council Review by mid-December

Key Sections:

Responsibilities & Organization

Application of Policy & Exemptions

Vendor Management

Terms of Contracts and extensions

Reporting

CORE SERVICES REVIEW ANALYSIS

GAPS

1. Overlap of guidance on procurement policies and procedures (Policy vs. Purchasing Manual)
2. Current staffing plan is not able to provide effective purchasing support for City departments
3. Purchasing manual, policy and procedures not adequately supporting City staff
4. Opportunities to improve value and resource utilization missed through decentralized purchasing approach
5. Purchasing knowledge transfer, communication channels and training needed for all staff to support collaboration for end to end purchase management

OPPORTUNITIES

1. Update Purchasing Policy and Procedures (SOPs)
2. Redefine the purchasing organization
3. Develop standard purchasing processes and tools, including standard templates
4. Train users in new policy and procedures, and use of purchasing tools
5. Identify opportunities for aggregating purchases

OPPORTUNITIES

Opportunity	Benefit
Develop policies and procedures capable of providing effective governance while enabling prompt and effective use of municipal funds.	<p>Consistent application of purchasing techniques to optimize purchase value and resources across the City.</p> <p>Fair, open and transparent purchasing activities applied to all transactions.</p> <p>Purchases compliant with applicable trade treaties and legislation.</p> <p>Effective and efficient</p>
Build a Supply Management organization focused on providing advanced purchasing services to City departments.	<p>Reduced purchase cycles times through centralized Supply Management support.</p> <p>Improved purchasing power through a Corporate view of purchases and purchase consolidation.</p> <p>Purchasing resources optimized through systems, training and strategic activities.</p> <p>Improved vendor and contract management capabilities and reporting.</p>
Elevate Supply Management knowledge and expertise in both internal and external stakeholders.	<p>City staff able to increase purchase value and reduce risks through advance purchasing techniques.</p> <p>Improved Vendor community knowledge through vendor training and bid de-briefing.</p>

OPPORTUNITIES

Opportunity	Benefit
Build staff resource plans to accommodate growth and staff utilization.	Managed operational costs. Cross utility of resources. Increased ability to handle work load peaks.
Build a culture of collaboration and purchase planning throughout the City.	Maximized utilization of staff and funds through strategic procurement planning. Faster purchase cycles using advanced purchase techniques. Improved competitive bidding results by appropriately timing purchase requests. Staff innovation and collaboration contribute to maximizing value.

WHAT WILL BE DONE

Step Description	Timeline (end of month)
Update Procurement Policy	December 2016
Redefine Purchasing Organization & Staffing	January 2017
Update Procurement Processes and Procedures	March 2017
Policy and Procedure Implementation RFX and Template Development	April 2017
Training and Communication	April 2017
Purchasing Program Development Pre-qualification Vendor Performance Contract Management	May – July 2017

QUESTIONS & ANSWERS