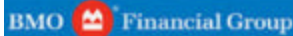




LEADERSHIP in PUBLIC PROCUREMENT

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2009 LEADERSHIP IN PUBLIC PROCUREMENT AWARD

Summit: Canada's magazine on public sector purchasing, in collaboration with the Canadian Public Procurement Council, is pleased to introduce you to the winner of the 5th annual Summit Leadership in Public Procurement Award. The award honours excellence and innovation, and competition is fierce.

Congratulations to the
City of Edmonton
Light Duty Vehicles
Strategic Sourcing Initiative.

THANK YOU TO OUR JUDGES

Jérôme Thauvette
Director General
Services and Technology
Acquisition
Management Sector
Public Works and Government
Services Canada

Derek Bates
City Manager
City of Prince George, BC

Stephen Cook
Manager, Procurement and
Contracts
University of Waterloo

Jane Burns
Alberta Health Services

Ron de Vries
Vice President, Contract and
Client Services
Defence Construction Canada

Michael Asner
President
Asner Consulting
Vancouver, BC

The City of Edmonton light-duty fleet supports civic services and operations, and included passenger vehicles, cargo and mini vans, SUVs, pickup trucks (1/4-2 tonne); cab and chassis and police vehicles - 1350 units with an annual purchase requirement of approximately 200 units. Expenditures exceeded \$5 million.

Prior to this project, vehicles were purchased primarily based on business requirements with no consideration of related costs and the potential efficiencies to be gained by standardizing the vehicles where possible. Tenders were issued periodically to establish standing offers with local dealers of all major vehicle makes and separate tenders were issued for parts. The mix of vehicles drove up maintenance and repair costs and inventory complexity.

With the support of senior city management and council, in 2008 key stakeholders from all city departments collaborated to introduce a strategic sourcing methodology that would heighten accountability in departments to right size their vehicle requirements and to improve the procurement process and vendor management. A request for proposal was issued in September 2008. Winning bidders were evaluated against pre-established criteria including a comprehensive total cost of ownership financial evaluation. A standing committee has been established to provide oversight, and formalize

the change management process, and to ensure that the standards set continue to provide best value to the City of Edmonton.

The success of the project is demonstrated by:

- vehicle standardization and base model reduction;
- a shift in corporate behavior towards sustainability and environmental considerations and right sizing;
- emissions reduction;
- a corporate policy that specifies vehicle standards and assigns accountability to departments;
- streamlined vehicle specification and purchasing processes and vendor performance management;
- longer-term strategic sourcing benefits driven by the collaborative process such as job function/role-based vehicle layouts, configurations and accessories standardization, standard vehicle catalogue, vendor value-added services, parts tracking visibility, etc.;
- establishing performance metrics; and
- the professionalism of the city's Materials Management Branch became evident at the corporate level.

2009 WINNER

