

Report from Financial Management Services, Director

Date of Report: March 26, 2016

Date of Meeting: April 9, 2016

Report Number: FMS-B014-2018

File: 10.57.99

Subject: Memorandum of Understanding for Joint Purchasing, Thorold and St. Catharines

Recommendation

That the Budget Standing Committee receive this report for information purposes.

Background

On February 20, 2018, the cities of Thorold and Welland signed a Memorandum of Understanding (MOU) on Joint Purchasing and Procurement Initiatives.

The MOU signed for Joint Purchasing between the cities of Thorold and Welland was initiated to expand the partnership between the parties to explore opportunities to reduce costs by taking advantage of economies of scale for various contracts such as road reconstruction and sidewalk repairs.

The City of Thorold has now approached the City seeking interest in entering a similar MOU.

References:

Report No. [FMS-B007-2016](#); Re: City of St. Catharines Existing Shared Services

Report No. [CAO-B026-2017](#); Re: Shared Services in Niagara Region

Report

As noted in previous reports, The City of St. Catharines continues to participate in many shared services opportunities. Shared services opportunities are a way of organizing administrative or operational functions to optimize the delivery of cost-effective, flexible and reliable services to all customers. Options include merging services with another public service provider, contracting for services (restrictions exist with union contracts), or forming an authority to provide service to many municipalities. The end objective is to provide taxpayers with better services and/or lower costs.

The City of St. Catharines, all Niagara municipalities and other publically funded organizations collaborate on a monthly basis with the Niagara Public Purchasing Committee (hereinafter referred to as NPPC). The NPPC is a group of public sector and broader public sector agencies working together to promote efficiency, economy, and effectiveness in the purchasing management field. The NPPC represents tax-supported institutions and agencies within the general proximity of the Region of Niagara. The

NPPC is dedicated to providing optimum value and resources to its member agencies and client groups through innovative and progressive procurement methods, practices and techniques while adhering to federal and provincial legislation, municipal by-laws and agency policy.

Although many of the collaborative bid opportunities procured by the NPPC are commodity based, there are no limitations to collaboratively procuring construction type goods or services. It is recognized however that there are unique challenges to procuring construction type goods and services, such as:

- Coordination of solicitation document, budget, schedule, payments, inspection;
- Contracts, Individual or Separate (the ability to bind another organization);
- Ability to align specifications between the parties;
- St. Catharines scope of work are often substantial unaccompanied by others;
- Vendor Monopoly (limiting competition)

Most all Niagara area municipalities and the Region are participants of the NPPC and there are no limitations to the types of goods or services procured by the NPPC, staff feel that a separate MOU with individual municipalities is not required.

The City of St. Catharines will continue to collaborate with the NPPC, on joint procurement initiatives which include all area municipalities, the Region and public sector organizations. Appendix 1 includes a list of the numerous joint procurements that the City of St. Catharines has participated in recent years.

Financial Implications

Sharing services allows the City to recover a portion of operating costs, stretch our taxpayer's dollars further and provide improved services. The City of St. Catharines is similar to other Ontario municipalities with common financial pressures stemming from inflation, regulatory changes, infrastructure requirements and concerns over affordability. As the largest municipality in the Niagara Region, the City of St. Catharines has the potential to add value to smaller municipalities through shared service arrangements. Although, the benefits to the City may be minimal, these arrangements contribute towards an overall enhancement of municipal services on a regional basis.

Relationship to Strategic Plan

By providing our services in a cost effective way through shared services, Economic Sustainability is enhanced by the attraction of public and private investment, support of local businesses and improved customer service which demonstrates we are open for business. Shared-services also allow the City to be an affordable place for young people, families and retired older adults as we work towards achieving a budgetary tax rate increase at or below the rate of inflation by 2018.

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City of St. Catharines
Listing of Joint Procurement Projects in Recent Years

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City Project Number	Project Title / Commodity Description	Collaborative Partners
RFQ 17-27	Antifreeze & Related Products	St. Catharines (Lead)
RFT4-2018	Asphalt Products	Niagara Falls
NPPC-03-2017-AM	Catch Basin Cleaning, Sewer Flushing & Hydrovac	Niagara Parks Commission
RFT6-2018	Concrete, Ready Mix	Niagara Falls
TENDER #13026	Containerized Waste Removal	DSBN
2017-Q-24	Culvert Pipe	Niagara Region
RFP# 17048	Elevator Inspections	DSBN
NPPC MW17-010	Envelopes	Brock University
FD-1SP-BKGR14	Firefighter Turnout Gear	Fort Erie
RFT14-01	Fuel (Gasoline, Diesel, Heating Oil)	Welland
NPPC 02-2017-AM	Garbage Bags	Niagara College
RFT5-2018	Granular Materials	Niagara Falls
NPPC 01-2018-AM	Grass Seed & Fertilizer	Niagara Parks Commission
RFQ 2015-16	HVAC Filters	Niagara College
CS-16RFPI-ICEMELT	Ice Melt Products	Fort Erie
CS-16T-LAMPS	Lamps & Ballasts	Fort Erie
RFQ 18-01	Sod	St. Catharines (Lead)
2017-T-18	Sodium Chloride, Bulk	Niagara Region
2017-T-19	Winter Sanding Materials	Niagara Region
P08-	Reed Road, Resurfacing	NOTL
2007	Townline Road, Resurfacing & Sidewalk	Thorold
2013	Contractor Awareness Training	Niagara Region
P13-019-01	Burleigh Hill / Glendale Ave CSA, Road Reconstruction	Niagara Region
P15-001	Ontario Street, Resurfacing & Curbs	Niagara Region
P17-067	St. Davids Road, Engineering Services & Construction	Thorold
P17-121	Large Culvert, Glass Ave / Third St / Gregory Rd Bridge, Engineering Services & Construction	Lincoln
P17-129	Martindale Pond & Heywood Generating Station DAM Safety Review	St. Catharines Hydro
RN08-015	Ontario St. / St. Paulst. W / King St., (sidewalks, watermain, sewers)	Niagara Region
RN09-001	Queenston Rd. / Westchester to Woodburn Ave, Sidewalks	Niagara Region
RN10-24	Fourth Ave (Vansickle to Third) Sidewalks, Watermain, Sewers	Niagara Region
RN10-31	Ontario / Welland / Geneva, Sidewalks, Watermain, Sewers	Niagara Region
RN11-05	Riverview Trunk, Watermains	Niagara Region
RN11-07	Cross-Country, Minor Repairs	Niagara Region
RN11-18	Glenridge / Eastchester, Watermains	Niagara Region
RN11-26	Glendale Ave, Sidewalks, Watermain, Sewers	Niagara Region
RN12-07	Lakeshore Rd, Sidewalks, Watermain, Sewers	Niagara Region
RN13-04	Burgoyne Bridge, Sidewalks, landscaping, Cultural Interpretation	Niagara Region
RN13-04	St. Josephs Street, Land Purchase / Road Closure	Niagara Region
RN13-05	Sewer Lining Contract, Sanitary	Niagara Region
RN13-11	Niagara Street Reconstruction, Sidewalks, Watermain, Sewers	Niagara Region
RN14-	Sir Issac Brock Way & Merrittville HWY @ New Brock Entrance, Sidewalks	Niagara Region
RN14-05	Lakeshore Road, Sidewalks, Watermain, Sewers	Niagara Region
RN14-09	Main Street, Sidewalks, Watermain, Sewers	Niagara Region
RN15-18	Wellandvale, Watermains	Niagara Region
RN15-15	Vansickle, Resurfacing	Niagara Region
RB16-06	RR#87 Lakeshore Road, Sidewalks, Watermain, Sewers	Niagara Region
RN17-07	Glendale Ave., Sidewalks, Watermains	Niagara Region
RN18-01	Martindale, Sidewalks & Minor Sewer Improvements	Niagara Region
MTO	St. Davids Road (406 interchange), Sidewalks, Multi-Use Trail	Niagara Region, Thorold
MTO	Sir Issac Brock Way / HWY 406 / Schlom Parkway, Multi-Use Trail	Niagara Region, Thorold