



2020 to 2023 Business Plan

Service: Purchasing

\$0.02

Cost per day for the average rate payer (2020 to 2023)

0.17%

Percentage of the 2020 to 2023 City of London Net Property Tax Supported Budget

Who we are:

- Purchasing assists City service areas with the procurement of goods and services and inventory management through the issuance of purchase orders, the issuance and management of request for proposals, the receipt and warehousing of Stores and the issuance of inventories to City Service Areas.

What we do:

- Purchasing contributes towards the acquisition of goods and services and supply services at the best value possible while ensuring the needs of City Service Areas are met.

Why we do it:

- **Essential** - Effective procurement is essential for ensuring that the City has the required goods and services to support the delivery of municipal services as planned in compliance with applicable trade agreements.

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

Budget Summary (\$000's)	2020	2021	2022	2023	2020 to 2023 TOTAL
Gross Operating Expenditures	\$1,781	\$1,846	\$1,898	\$1,913	\$7,438
Other Revenues	-\$583	-\$691	-\$701	-\$713	-\$2,688
Net Tax Levy Supported Operating Budget	\$1,198	\$1,155	\$1,197	\$1,200	\$4,750
Total Capital Expenditures	\$0	\$0	\$0	\$0	\$0
Full-Time Equivalents (FTE's)	21.3	21.3	21.3	21.3	N/A

Reflects 2020 to 2023 Council Approved Budget - January 12, 2021.

The following section provides an overview of the key activities the service plans to undertake from 2020 to 2023 to implement the Corporation's 2019 to 2023 Strategic Plan, as well as an overview of the risks and challenges the service is anticipated to experience during this period:

Service Highlights 2020 to 2023

- Leveraging and exploring potential shared service opportunities with Boards and Commissions (London Police Service, London Public Library, London Transit Commission, London & Middlesex Community Housing Corporation).
- Modification to existing processes to comply with the Construction Act (Prompt Payment and Adjudication).
- Trade Agreements Compliance (including new Trans-Pacific Partnership (TPP) and Canada-United States-Mexico Agreement (CUSMA))
- Continued exploration of Supplier Performance Management including a move towards centralized system.
- Undertaking further exploration including benchmark studies, and policy development as it relates to advances in Procurement practices (sourcing, contract management, performance management, supplier management).

Risks and Challenges Anticipated in 2020 to 2023

- New Legislative requirements and responsibilities as set out by other levels of government.
- Volatility in commodity pricing as a result of trade tariffs and foreign currency fluctuations, mainly the U.S. dollar.
- 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 Purchasing and Supply Services.

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