

**Municipality of North Cowichan
Committee of the Whole
ADDENDUM AGENDA**

Tuesday, November 24, 2020, 6:00 p.m.
Electronically

Pages

3. PUBLIC INPUT

3.1. *Written submissions emailed to Agenda@northcowichan.ca*

No written submissions received by 5:00 p.m. on Monday, November 23, 2020.

4. BUSINESS

4.1. Presentation of Departmental Business Plans

4.1.1. *Information Report for 2021 Procurement Position Request*

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Purpose: To provide Council with information regarding the 2021 supplementary budget request for a permanent procurement position as presented in the draft 2021 Financial Services Business Plan.

Recommendation:

That Council accept the General Manager, Financial and Protective Services November 24, 2020 report for information.

4.1.2. *RCMP Office Supervisor/Police Support Services*


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Purpose: To request the establishment of an RCMP Office Supervisor/Police Support Services position in the 2021 Budget.

Recommendation:

That Council direct staff to include a RCMP Office Supervisor/Police Support Services position in the 2021 Budget effective January 1, 2021.

Report

Date	November 24, 2020	File:	
To	Committee of the Whole		
From	M. Frame, General Manager, Financial and Protective Services	Endorsed:	
Subject	Information Report for 2021 Procurement Position Request		

Purpose

To provide Council with information regarding the 2021 supplementary budget request for a permanent procurement position as presented in the draft 2021 Financial Services Business Plan.

Background

North Cowichan’s Procurement Policy was implemented in 2015, and since that time, updates have been made to it to improve process efficiencies and public transparency. However, there is a growing expectation to conform to best practices laid out by the Auditor General for Local Governments (AGLG), the Local Government Management Association (LGMA) and meet the Canada Free Trade Agreement regulations. Currently, each department is responsible for handling all aspects of their competitive processes, with Financial Services providing a more supportive role, such as implementing procurement management software and posting and facilitating any procurement processes.

A request for the creation of this new position was first introduced in 2018 and was initially approved by Council in 2020, but was subsequently deferred to 2021, due to budget reductions in response to the COVID-19 pandemic. Staff are returning to Council as part of the 2021 budget deliberations to request a permanent resource be hired in 2021. This position would be responsible for the operation of the supply chain management function for the District. Annual base compensation is anticipated at \$94,000.

Discussion

Financial Services does not have the resource capacity to fully support procurement for the organization to adapt to the best practices laid out by the AGLG and LGMA. Since 2015, procurement has been handled through Accounts Payable. Our Accounts Payable/Procurement Coordinator is a qualified Supply Chain Management Professional; however, accounts payable is a very high volume and high priority function. Procurement can only be supported when time is made available by juggling accounts payable duties.

North Cowichan has made many strides to improve the accountability and transparency of our procurement. We implemented a [Procurement Policy](#) and have significantly increased the number of procurements that now go through a competitive process. However, there are some areas where we are deficient in meeting the requirements established under that policy and opportunities for improvement in meeting best practices. Improving Financial Services procurement oversight will reduce our liability and provide better value.

Departments are challenged with the time and resources required to complete the competitive process effectively. There is an inherent risk when performed off the corner of the desk by managers who are not qualified in procurement. Decentralized procurement leads to a lack of consistency between departments. Inadequate resource time invested could expose risk and missed opportunities for improved transparency and value for taxpayers.

The risk related to procurement should not be understated. Multiple trade agreements govern procurement. Contractors and suppliers are getting more sophisticated regarding procurement, and failed procurement processes routinely lead to lawsuits. Consistency in procurement reduces the District's legal liability. A staff scan of other B.C. municipalities shows that similar-sized municipalities have 2 or 3 dedicated procurement positions to manage procurement effectively.

It is impossible to completely quantify the savings related to using proper procurement processes, but we can see savings given the range of prices for a given procurement process. The amount saved in the table below is the difference between the winning proponent and the average price quoted. It is reasonable to assume that reducing direct awards would provide additional savings.

Procurement Metrics

	2019	2018	2017	2016
# of Competitive Processes	49	60	41	35
Value of Procured Projects	\$6,784,485.63	\$5,590,988.08	\$7,437,983.63	\$7,283,522.99
Amount Saved (from competitive process)	\$684,288.40	\$171,734.08	\$680,500.74	-
Direct Awards (over \$10K purchases):				
Total Direct Awards	85	54	57	64
Value of Direct Awards	\$4,305,075.86	\$1,858,179.43	\$2,998,664.87	\$3,099,570.17

Options

Staff anticipate formally asking Council for direction on budgeting for the procurement position in January 2021 when Council considers supplemental items as part of budget 2021 deliberations. Options for Council to consider at that time may include:

Option 1: Council direct staff to include a procurement position in the 2021 Budget effective February 1, 2021.

Option 2: Council direct staff to include a procurement position in the 2021 Budget effective May 1, 2021.

Option 3: Council does not support a procurement position.

Implications


If supported by Council, this position will:

- reduce the District's risk by using the procurement process more consistently;
- increase the savings realized from procurement;
- increase operating efficiencies in departments experiencing significant capacity pressure (e.g. Engineering Department);
- allow additional procurement functions to be undertaken such as vendor management and social procurement; and,
- result in a new permanent staffing cost, estimated at a \$94,000 annual base salary, plus 27 percent of base salary to cover benefits.

Recommendation

That Council accept the General Manager, Financial and Protective Services November 24, 2020 report for information.

Report

Date	November 24, 2020	File:	
To	Council		
From	M. Frame, General Manager, Financial and Protective Services	Endorsed:	
Subject	RCMP Office Supervisor/Police Support Services		

Purpose

To request the establishment of an RCMP Office Supervisor/Police Support Services position in the 2021 Budget.

Background

North Cowichan/Duncan RCMP Detachment includes a blend of municipal and provincial administrative support staff. A single provincial Office Manager resource supervises the administrative support staff. However, with increasing human resource management demands, financial administration requirements and increasing building issues, the sustainability of one resource effectively managing all these areas is no longer viable. The duties of the current Provincial Office Manager are unmanageable for a single resource. The Provincial Office Manager is retiring in December and it is highly unlikely that the new provincial resource will continue to supervise municipal employees.

Discussion

Efficiencies would be gained through consistency of supervision by an Office Supervisor who has enhanced knowledge of municipal human resource policies and who can focus more time on municipal issues as they arise.

It is no longer feasible for the Provincial Officer Manager to manage both the municipal and public services employees. A single Office Manager resource cannot meet the needs of the new Performance Management System the municipality is seeking to implement. With these additional duties, employees' supervision and the management of their duties would be compromised; current building needs are taking precedent over human resource issues. The NCO i/c Ops needs to be relieved of their human resource duties with respect to the guards, as the NCO i/c Ops oversight is needed for operational areas. The cells present a high risk area and the human resource management of the guards needs to be addressed. Status quo is no longer a viable option.

This position was first requested in 2019 and was initially approved by Council in 2020. However, it was deferred to the 2021 budget considerations in response to the COVID pandemic.

Options

Option 1: Council direct staff to include an RCMP Office Supervisor/Police Support Services position in the 2021 Budget effective January 1, 2021.

Option 2: Council does not support an RCMP Office Supervisor/Police Support Services position.

Implications

- The financial implications will be minimal as the existing three days per week part-time position would be converted into the proposed position. And additional savings will be realized under the RCMP contract (primarily in less use of reservists in 2021 and beyond).
- Without this position these duties will fall to the NCO i/c Ops, which is not an efficient use of this Officer's time.

Recommendation

That Council direct staff to include a RCMP Office Supervisor/Police Support Services position in the 2021 Budget effective January 1, 2021