

# Regional Municipality of Wood Buffalo

## Competitive Procurement, Evaluation and Single Sourcing Review over Capital Projects



REGIONAL MUNICIPALITY  
OF WOOD BUFFALO

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# Agenda

- Introductions
- Audit Objectives & Scope
- Methodology
- Four Key Findings
- Key Recommendations
- Questions

# Audit Objectives & Scope

## Audit Objectives & Scope

- In the past six months, MNP has conducted two audits on competitive procurement and single source procurement over capital projects at the Regional Municipality of Wood Buffalo (“RMWB” or “the Municipality”). The period under review was 2012 to 2017.
- The overall goal was to determine if the competitive procurement evaluation process is conducted in a consistent manner and in accordance with the seven fundamental public procurement principles. The seven fundamental public procurement principles consist of: transparency; integrity; economy; openness; fairness; competition; and accountability.
- In addition, we evaluated two capital projects in terms of safety, quality, cost and schedule.

# Methodology

## What We Did

To achieve the objectives of the audit, we:

- Established leading practices for competitive procurement for public sector organizations and assessed processes at RMWB against those criteria.
- Reviewed background information on competitive procurement at RMWB as outlined in guiding documents to establish an understanding of the **processes that should be in place** at the Municipality (e.g. SOPs, templates, etc.).
- Interviewed 18 RMWB representatives to obtain an understanding of the **processes actually in place** to procure goods and services related to capital projects.
- Selected and reviewed a sample of 40 competitive procurements files from 2012 to 2017, ranging in value from \$35,342 to \$44 million and totaling \$235 million to determine if SOPs were followed.

## What We Did

- Selected and reviewed a sample of 9 single source procurements from 2016 to 2017 totaling \$320,904 to determine if they were approved appropriately (i.e. by a person with the proper authority level and before goods/services were obtained).
- Conducted interviews with 5 contractors who participated in the competitive procurement process at the Municipality and 4 industry representatives to obtain their perspective on RMWB procurement processes, and identify issues and areas for potential improvements.
- Obtained and reviewed the complete project construction files maintained by Engineering for two projects to complete the in-depth assessment.
- Interviewed representatives from Engineering to obtain information on capital management processes in place at RMWB.

# Four Key Findings



## Four Key Findings

1. Employees are not consistently following SOPs established for competitive procurement and single source procurement. Employees have also not received formal training on SOP requirements.
2. Departments tend to use the same mandatory requirements, evaluation criteria and scoring methodologies repeatedly rather than tailoring each for particular procurements.
3. RMWB relationships with contractors could be improved through the provision of more information on RMWB competitive procurement processes, consultation with contractors and pre-qualification of contractors.
4. Capital project management processes can be improved by increased focus on safety, quality and documentation

# Key Recommendations

## Key Recommendations

1. SCM should review and revise its SOPs. The revised SOPs should include guidance on processes and documentation required to evidence key decisions, activities and approvals throughout the entire competitive procurement process. Employees should be trained on the revised SOPs and supervisors / managers should ensure required processes are followed.
2. Tailor mandatory requirements, evaluation criteria and scoring methodologies for each procurement. Tailoring will allow the Municipality to establish the essential requirements that a proponent must have/demonstrate in order to complete the proposed work. Ensure bids that do not meet mandatory requirements are disqualified as required.
3. Provide contractors with more information on the competitive procurement process at the Municipality (e.g. key steps in process, vendor debriefs, whistleblower process, etc.)

## Key Recommendations

4. Conduct annual briefing sessions with contractors to provide information on upcoming capital projects and obtain contractor input where appropriate.
5. Verify that a proponent that underbids on a tender/proposal is capable of delivering the project as described in the RFX document.
6. Pre-qualify contractors for Municipal projects to reduce the amount of time and effort associated with the competitive procurement process for both RMWB and vendors.
7. Include safety accountability in every request for tender contractor package and request for proposal consultant package.
8. Increase monitoring of the quality of work by the contractor on an ongoing basis by the RMWB Project Manager.

# Questions?

# Thank you



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