To: Chair & Committee Members, Audit Committee

Date: November 21, 2019

Areas Responsible: Derek Coffey, DCM – Finance & Administration
                    Rick Squires, Manager – Supply Chain

The table below summarizes the pending issues from the Internal Audit of eTendering assignment #17-02.

Recommendation	Status Update	Date
1.1 Management should develop and implement a procurement plan for the City. Management should ensure that the plan addresses peak workload periods by prioritizing projects and taking into consideration the budget approval process and short construction season.	I have contacted the Public Procurement Agency to determine if reporting requirements have been determined. If not, we will be moving forward to develop our own Procurement Plan requirements. Competing priorities have pushed the deadline for implementation. We are in the process of hiring a work term student who will be assisting with this recommendation.	Apr 2020 Previous Date: Apr 2019 Sep 2018
2.1(i) Management should research cycle time benchmarks from other municipalities for annual comparisons.	Competing priorities have pushed the deadline for implementation. We are in the process of hiring a work term student who will be assisting with this recommendation.	Apr 2020 Previous Date: TBD Jul 2018
2.1(ii) Management should begin collecting data to be able to measure the cycle time of the City's tendering process and create internal benchmarks.	Competing priorities have pushed the deadline for implementation. We are in the process of hiring a work term student who will be assisting with this recommendation.	Apr 2020 Previous Date: Jun 2019 Jul 2018

Recommendation	Status Update	Date
2.1(iii) Management should compare the cycle times to internal benchmarks on an annual basis especially if no external benchmarks can be readily found.	Competing priorities have pushed the deadline for implementation. We are in the process of hiring a work term student who will be assisting with this recommendation.	Apr 2020 Previous Date: TBD Jul 2018

The following table summarizes the current status of all issues identified in the Internal Audit of eTendering assignment #17-02.

Total Recommendations	Closed	Pending
11	7 (64%)	4 (36%)

The Table below summarizes the closed issues from the Internal Audit of eTendering assignment #17-02.

Recommendation	Status Update	Date
2.1(iv) Management should identify areas where improvements can be made to reduce the cycle time. This is an area where the City's new continuous improvement program could be of benefit to help streamline the process.	Purchasing was a part of a CI project regarding AP Process Improvement and are in the beginning stages of a CI project regarding the requisitioning process both of which have an impact on the cycle time. Another CI project relating to contract documentation is scheduled for April 2019. These along with the new software mentioned in the original management comments should help us with identifying areas of improvement to reduce cycle time.	Ongoing Closed

Recommendation	Status Update	Date
2.2 (i) In an effort to determine if the City's percentage of addenda is reasonable, management should research industry addendum benchmarks for comparisons with the City.	I have done an internet search and could only find one other reference to a review of the number of addendums. It was for the City of Edmonton and of the 86 tender files they reviewed 83% had addenda. I contacted the Province of NL and they do not track numbers of addenda. From January 1, 2018 until October 15, 2018 we had 236 bid documents and 41% had addenda.	Implemented Closed
2.2 (ii) Management should create internal benchmarks for addenda by comparing the City's experience from year to year, especially if industry benchmarks cannot be obtained.	We have created a report in our bidding system to determine the number of addendums associated with each department or for all departments combined. We will use this information to create internal benchmarks.	Ongoing Closed
2.2 (iii) Management should consider benchmarking addenda by purchasing category which may provide more useful information.	We have created a report in our bidding system to determine the number of addendums associated with each department or for all departments combined. We will use this information to create internal benchmarks.	Implemented Closed
2.2 (iv) Management should investigate areas of improvement if it is found that the City's percentage of addenda is not reasonable.	I have done an internet search and could only find one other reference to a review of the number of addendums. It was for the City of Edmonton and of the 86 tender files they reviewed 83% had addenda. I contacted the Province of NL and they do not track numbers of addenda. From January 1, 2018 until October 15, 2018 we had 236 bid documents and 41% had addenda.	Implemented Closed

Recommendation	Status Update	Date
3.1 Management should review the "Tender Filing Tracking" report on a monthly basis and ensure that the status of each tender is recorded and up to date, all documentation is on file and outstanding issues are followed-up with staff, if needed.	Implemented.	Implemented Closed
4.1 In order to improve accountability, management should sign the request for approval for tenders.	Implemented. In addition to my original comments, Departmental Council Approval Request forms have been created. These are used when departments obtain the pricing, or the RFP process has been used, and the contract value is above $50,000.	Implemented Closed