

THE MUNICIPALITY OF LAMBTON SHORES

Report TR 12-2025

Council Meeting Date: March 18, 2025

TO: Mayor Cook and Members of Council

FROM: Rebecca Clothier, Director of Financial Services

RE: Adoption of Digital Procurement Platform

RECOMMENDATION:

THAT Report TR 12-2025 regarding Adoption of Digital Procurement Platform be received; and

THAT the implementation of Bids &Tenders as the Municipality's digital procurement platform be approved; and

THAT that this initiative be funded through the Modernization Reserve Fund.

SUMMARY

This report is recommending the use of Bids&Tenders as the online procurement platform for the municipality.

BACKGROUND

The Municipality of Lambton Shores currently relies on a manual procurement process, which is inefficient and requires considerable staff time. One of the biggest limitations of the current system is that bid opportunities are not automatically sent to vendors. Instead, vendors must manually check the municipal website for new opportunities, unless staff have manually distributed the bid to potential bidders, a process that requires additional staff time. This manual process likely reduces supplier participation, resulting in fewer competitive bids, potentially higher project costs, and a longer procurement cycle.

In January 2025, a survey of local municipalities (including those within Lambton County and surrounding areas) revealed that:

- 60% of municipalities use a digital procurement platform, while 40% do not.
- Among those using a digital platform:
 - 40% use Bids&Tenders
 - 20% use Biddingo

Recognizing the need to modernize procurement, demonstrations of Bids&Tenders and Biddingo were arranged in February 2025 for the Senior Management Team. Based on

system capabilities and alignment with municipal needs, there was consensus that Bids&Tenders is the most suitable choice for Lambton Shores. The platform will automate bid distribution, enhance transparency, streamline workflows, and improve cost efficiency, aligning with the municipality's strategic priorities.

Given the financial benefits and its widespread adoption by other municipalities, it is recommended that Lambton Shores implement Bids&Tenders under the Supplier-Pays Model, reducing municipal costs while maintaining strong vendor participation. The one-time implementation and training cost of \$4,273.92 will be funded from the Modernization Reserve Fund, ensuring no immediate impact on the 2025 Operating Budget. Council approval of this initiative will lead to a more competitive, transparent, and efficient procurement process.

The implementation of Bids&Tenders supports the Municipality of Lambton Shores' strategic priorities by enhancing efficiency, transparency, and financial responsibility.

A key challenge in the current procurement process is that bid opportunities are not automatically sent to vendors, limiting competition and increasing costs. Bids&Tenders automates bid distribution, expands vendor participation, and improves cost efficiency, aligning with the municipality's commitment to responsible financial management and economic development.

The platform also streamlines procurement workflows, reducing staff workload and enhancing service delivery. Its real-time tracking and reporting capabilities promote transparency and accountability, ensuring compliance with municipal policies.

Additionally, adopting a digital solution aligns with the municipality's modernization goals, integrating with existing systems to improve long-term operational efficiency.

ALTERNATIVES TO CONSIDER

Maintaining the current manual procurement process requires no immediate financial investment, and staff are already familiar with existing procedures, eliminating the need for transition and training. However, this approach has several drawbacks. The most significant issue is that bid opportunities are not automatically sent to vendors, meaning suppliers must regularly check the municipal website for new opportunities. This severely limits the number of bids received and reduces competition. Additionally, the current process is labor-intensive, requiring considerable manual effort from staff, increasing the risk of bid submission errors and non-compliant proposals. Transparency and reporting capabilities are also limited, making it difficult to track procurement performance and ensure accountability. The lack of a streamlined approach may ultimately lead to higher costs due to reduced supplier participation and less competitive pricing.

Implementing a digital procurement process, such as Bids&Tenders, addresses these challenges by automatically distributing bid opportunities to a broader vendor network,

increasing supplier participation and competition. The system eliminates manual paperwork, significantly reducing administrative burden while ensuring compliance by enforcing bid submission requirements and minimizing errors. A digital approach enhances transparency and tracking, with real-time reporting capabilities that provide better oversight of procurement activities. By expanding supplier participation, the municipality could benefit from lower costs through increased competition. The automation of procurement workflows, including bid evaluations, contract management, and notifications, further improves efficiency. Additionally, a digital platform reduces procurement cycle times, allowing projects to be awarded and initiated more quickly.

While adopting a digital procurement platform requires an initial investment in software implementation and staff training, these costs are outweighed by the long-term efficiency gains and financial benefits. A brief transition period will be necessary to fully integrate digital workflows into municipal operations, but with proper training and support, the shift to a modernized system will streamline procurement processes significantly.

RECOMMENDED ACTIONS

It is recommended that Council approve the implementation of Bids&Tenders as the Municipality's digital procurement platform and that this initiative be funded through the Municipality's Modernization Reserve Fund, aligning with the fund's intended purpose of supporting enhance service delivery.

FINANCIAL IMPACT

Bids&Tenders offers two payment models for municipalities using its digital procurement platform:

1. Municipality-Pays Model – The municipality covers the full cost of the Bids&Tenders subscription and usage fees, allowing vendors to submit bids at no cost. While this model encourages participation, it results in higher municipal expenses.
2. Supplier-Pays Model – Vendors pay a fee to submit bids, reducing municipal costs. This model is widely used, with all local municipalities and the majority of municipalities in Ontario adopting it. It ensures a cost-effective approach while maintaining strong vendor participation.

Given its widespread adoption and financial benefits, it is recommended that Lambton Shores implement the Supplier-Pays Model, aligning with regional best practices while minimizing municipal expenditure.

The one-time implementation and training cost of \$4,273.92, net of refundable taxes, will be funded from the Modernization Reserve Fund, ensuring no immediate impact on the municipality's operating budget.

CONSULTATION

Steve McAuley, CAO

Stephanie Troyer-Boyd, Director of Corporate Services

Ashley Farr, Director of Community Services

Nick Verhoeven, Director of Public Works

James Marshall, Fire Chief