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Features



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The federal **#government** needs a 'cultural shift' in order to prevent another Phoenix payroll system situation, says auditor general Michael Ferguson. <https://bit.ly/2IY5bzW> @purchasingB2B #publicprocurement



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Six decades of buying



The year 1958 was a busy one for Canada. John Diefenbaker was prime minister and Vincent Massey was governor general. The Avro Arrow flew for the first time and Canada-wide television broadcasting began.

Sports fans will be happy to know that it's the year the CFL was established, and the Montreal Canadiens won their tenth Stanley Cup. For pop culture aficionados, the top grossing film was South Pacific, bringing in over \$16 million USD.

Among all these events, one stands out for us here at *PurchasingB2B*—it's the year the magazine started publishing. You might have noticed the 60th-year anniversary icon at the top left-hand side of the front cover on each of our issues in 2018.

It's been an eventful 60 years, not only for the world but for the procurement and supply chain. And we're proud to have served you over the past six decades. My time with the magazine has been shorter than those six decades, but I've seen plenty of changes and developments in the field so far.

Also in this issue, we've also chosen to feature four women who are accomplished procurement professionals. My guess is that 1958 saw few women working in procurement and supply chain. To honour the progress over the past six decades, we've invited four women working in procurement to share their insights. You can check out their stories on page 15.

As well, there have been myriad other changes in the field, even during my time at the magazine. Below are some examples.

A seat at the table: over the past 60 years, procurement has moved from a back-office function to occupying a strategic position within many organizations. Rather than strictly a cost-saving endeavor (although that remains important), procurement now serves as trusted advisor, helping organizations to function at a higher level.

Education: as procurement has taken that more strategic position, it has seen a greater demand for certain skills. This includes field-specific and general business competence. (For more on the topic, see our article on the development of procurement and supply chain education on page 9).

Voluntary entry: in my time as editor of *PurchasingB2B*, I've heard many practitioners tell me they entered the field almost by default, and usually via another profession or department within their organization. That tendency is fading, and young professionals more often enter by design. Varied and interesting work, exposure to high-level stakeholders and an inherently collaborative nature make it an easy draw for many talented newcomers.

Those are just a few of the trends I've seen in my relatively short time here. I'm sure the years ahead will be equally interesting. Finally, I'd like to say thank you to all of our readers, advertisers, partners and others who have made the magazine successful over the decades. We look forward to continuing to serve you in the decades to come.

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For 60 years, *PurchasingB2B* has been a trusted source of information for Canadian purchasing/supply chain management professionals in the private and public sectors. Special features and supplements include *Fleet Management*, *Canadian Automotive Review (CAR)*, *PurchasingB2B*, and *Travel Management Canada*.

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WHAT'S HAPPENING

PurchasingB2B is pleased to announce the winners of the **#ILovePurchasing!** Photo and Twitter Contests! The competition kicked off the 60th-anniversary celebrations for *PurchasingB2B*. Each of the winning teams received a \$250 Visa gift card. Congratulations to all of our winners and a big thank you to all who participated!



The #ILovePurchasing! Photo Contest:

This winning photo features some of the members of the purchasing team at Manitoba Housing in Winnipeg. They're showing a whole lot of love for purchasing!



The bonus #ILovePurchasing! Photo Twitter Contest:

The purchasing team at Stubbe's Precast in Harley, Ontario, had this winning tweet, *"The Purchasing Team at Stubbe's Precast is small, but strong. Always busy and always ready! #ILovePurchasing! @purchasingb2b"*

PurchasingB2B plans to announce the winner of our June 14 "NationalPurchaserDay" Twitter Contest in our upcoming August issue. Stay tuned!

We'd also like to give a special shout-out to the following notable runner-ups. Thank you for your submissions!



Craig Milley, Cayman Islands Government, Cayman Islands



Claudelle Silva, Town of Oakville, Oakville, Ontario



A few members of the EY purchasing team, Toronto, Ontario

EDITORIAL BOARD

PurchasingB2B has appointed a new editorial advisory board. Going forward, board members will provide insights into purchasing and procurement. *PurchasingB2B* hosted a dinner in Toronto, May 7, with its new board members to discuss developments, trends, challenges and opportunities in the field. Our new editorial advisory board members are:



Lori Benson,
EY Procurement Leader,
Enablement

Lori studied part time and earned the Supply Chain Management Professional (SCMP) designation in 1994 and Certified Professional in Supply Management (CPSM) in 2011. She supports education and networking and focuses on implementing vendor management, global category and supplier diversity strategies. Lori advocates growth and marketplace knowledge for supplier diversity initiatives.



Wael Safwat,
Procurement Director,
Black & McDonald

Wael is Canada branch chair of the Chartered Institute of Procurement & Supply (CIPS), UK. He's on the Supply Chain Management Association Ontario's board and won its Board of Directors Leadership Award. A fellow of CIPS, Institution of Leadership and Management (ILM) and Chartered Management Institute (CMI), Wael has an MBA, Certified Project Management (CPM) designation and CSCMP and CPSM designations.



Kiruba Sankar,
Director, Corporate Social
Responsibility—RBC
Global Procurement

Kiruba is responsible for strategy development and execution of RBC's supplier diversity program for global procurement. Prior to RBC, he managed systems and server product distribution through reseller channels for Tech Data Canada. He won Procurement Business Advocate of the Year Award, 2017 from CAMSC and Corporate Leader from WBE Canada.



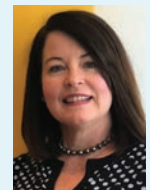
Thomas Hudel,
Manager Purchasing and
AP, Esri Canada Limited

Thomas has spent over 25 years in various supply chain roles, with experience in: consumer packaged goods, publishing, transportation, automotive, and software distribution. He has an Honours BA, and the CSCMP (Certified Supply Chain Management Professional) designation. Thomas is driven to discover efficiencies in supply chain operations and integrate new technologies as they emerge.



Jeff Russell,
Director of Procurement,
Crane Supply

Jeff is director of procurement for Crane Supply and has 21 years experience. He holds designations with SCMA, the Institute of Supply Management, the Chartered Institute of Purchasing and Supply and the International Federation of Purchasing and Supply Management. He holds two degrees from Carleton University and an accounting diploma from Algonquin College.



Sherry Marshall,
Senior Manager—
Meetings, Travel &
Card Service, PwC
Management Services LP

Sherry is a senior manager in PwC's procurement department in Toronto specializing in travel, meeting & events and payment solutions. She has over 20 years experience, including multi-national contract negotiations. She is a member of Global Business Travel Association (GBTA) and on the leadership advisory council. In 2016 Sherry was received the GBTA's The Masters Honors.



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The Rise and Fall of Interest Rates

Where do we go from here?

By Michael Hlinka

*Toronto-based
Michael Hlinka
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commentary to
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I received the following e-mail from a good friend who occasionally comes to me for financial advice: “Would you recommend exiting our current equity positions? Given the yield movements, I am considering moving my savings into GIC accounts...it’s not much but I’d like to protect it. Also, do you think this is a good moment to invest in real estate in downtown Toronto?”

This is a good friend. So I took time before responding because the answer to both of those questions hinges around one variable: interest rates.

Interest rates have been going up on both sides of the 49th parallel in the past year. In summer 2015, Canada’s Bank Rate was pared from 1 to 0.75 percent and then held steady for two years. Last summer, the rate edged back up and then there was a further hike in September and it now stands at 1.25 percent. To get an idea of how ahistorically low these

“My argument is that we are in the very early stages of the greatest wage killer that mankind has ever seen and that is Artificial Intelligence.”

rates remain, consider that the lowest rate seen in the 1990’s was 3.25 percent. This could suggest that there are still many interest rate hikes to go before we get back to “normal”.

Something similar has happened in the US. In December 2016, the Fed Funds rate was hiked a quarter point, and now the current target range is from 1.5 to 1.75 percent. Members of the Federal Reserve Board have indicated that more rate hikes will be forthcoming later this year. So there is a pretty good argument to be made that interest rates will be higher—even significantly higher in the near future—which would lead me to tell my friend to exit her equity positions and avoid real estate right now, because higher interest rates lead investors to rotate out of stocks and into bonds and make carrying a mortgage more difficult.

However, before recommending that, it’s important to understand that it is inflation that ultimately leads to higher interest rates. The rule-of-thumb is that everything else being equal, central banks would like to keep interest rates as low as possible to facilitate economic growth. Banks should only raise interest rates for two reasons: The economy is growing at an unsustainable rate and/or inflation is rearing its ugly head.

How strong is economic growth right now in North America? The evidence seems mixed. On one hand, unemployment in the US is at a 17-year low. Yet during the first quarter of 2018, the economy grew at a somewhat tepid 2.3 percent. And the Canadian economy seems even cooler than the US. You can’t justify raising interest rates based on economic growth.

It’s hard to conclude that interest rates should go up based on inflation. The “ideal” inflation rate for the Canadian economy has been pegged at 2.0 percent. As of the latest StatsCan report inflation is 2.2 percent. Inflation seems to be more of a problem in the US. The latest number is 2.5 percent. But dig deeper into those numbers, and you’ll see that it’s largely due to higher oil prices. Fuel oil is about 20 percent higher than a year ago and gasoline is up 15 percent. If we assume this levels out, 12 months from now inflation is a non-issue in the US.

This should lead us to a deeper examination of what causes inflation in the first place. In a developed economy there is only one thing and that’s wage inflation. My argument is that we are in the very early stages of the greatest wage killer that mankind has ever seen and that is Artificial Intelligence (AI).

When you look back at the sweep of economic history, you see that mechanization and machines democratized physical strength. Before power tools, a larger, stronger man had a meaningful competitive advantage compared to the smaller, weaker man and could demand a wage premium as a result. Power tools leveled that playing field. It’s easy to imagine AI will have a similar impact on the more cognitive occupations. It seems virtually inevitable that the wage premium many of the intellectual elites enjoy is in the early stages of evaporation.

If this is true, inflation isn’t something we should be worried about: It’s deflation. I think that when the economic history of the 21st Century is written, scholars will recognize that the technological revolution unleashed deflationary pressures and that the norms of the 20th Century didn’t hold—and because these deflationary pressures will be reflected in low interest rates, I’m suggesting that my friend hold on to her equity holdings and consider strongly investing in real estate. **B2B**

A graphic of a human head silhouette in profile, facing left. The interior of the head is filled with a dark blue color and contains numerous white line-art icons representing various educational fields: science (gears, lightbulbs, microscope), mathematics (ruler, compass, protractor), literature (books, magnifying glass), and general learning (stars, paper plane, person at a desk). A single, larger, glowing yellow lightbulb is positioned in the upper right area of the head, symbolizing an idea or knowledge. The neck and lower part of the head are a solid dark blue. To the left of the head, the word 'FRONT' is written in large, bold, yellow capital letters, and below it, 'in Canada' is written in a smaller, dark blue font.

Most of my colleagues of the Baby Boomer and X Generations found themselves in supply chain roles by happenstance rather than by design. The term supply chain was not even common in business until the turn of the century. We had no formal education in our field of work in those days, but we have

Building the foundation

consumer needs as much as managing suppliers.

Today's procurement leaders may have had a course in purchasing as part of their education but even that has changed dramatically as the economy digitized and the role of procurement began to include viewing consumer needs as much as managing suppliers.

education to the next generation is also growing in importance. Today's procurement leaders may have had a course in purchasing as part of their education but even that has changed dramatically as the economy digitized and the role of procurement began to include viewing

costs of supply to providing value and enabling best practices in other departments of the organization. The next generation will have some advantages in access to foundational education but the rate of change with the continued introduction of disruptive technologies will ensure associations continue to play a role as peer-to-peer sharing will create the expertise on technology that has not yet been widely implemented.

Education in the functional areas of business as well as the soft skill requirements of leadership has become integrated for supply chain students. Purchasing once focused on sourcing, negotiating, supplier management and understanding cost and price elements but now includes the understanding of consumer needs and how to drive value from suppliers to ensure consumer satisfaction. Supply chain is in fact not about supply, but about value to the consumer with conscious thought given to it right from the raw material source.

associations that lead the way, weaving best practices into the foundational learning of future college and university programs while continuing to tap into the most recent trends and experiential “try and fail” approaches where leading edge companies set aside concerns around ROI in favour of testing new opportunities. The colleges and universities require guidance from the employer community in how to best meet the needs of the future job market, not the past. Professional associations provide this guidance at the crossroads of business needs, future trends and education.

A strategic role

As one grows in one’s career, there is a shift from being a provider of information and analysis to being the decision maker—from managing one’s own productivity to ensuring the productivity of the department and the organization. Moving next from operational excellence to a strategic role, responsibilities shift to

providing vision, guidance and motivation. These are difficult transitions and require formal training to help develop the necessary skills. This again, is where associations can work with colleges, universities and individuals to ensure the right skills are being developed for the roles that are required by the business community. As purchasing asserts its role in the supply chain hierarchy, it is necessary for managers to learn the softer skills required for leadership. Where the post-secondary institutions provide the foundational business knowledge and critical thinking skills, the professional designation provides an unbiased third-party confirmation of one’s competency and capability. In fact, professional associations may also accredit the post-secondary programs to validate that they meet the needs of the employer community.

SCMA is working to develop many pathways into the SCMP (Supply Chain Management Professional) designation program, Canada’s premier end-to-end supply chain designation. We’re engaging colleges and universities as well as other associations in the various playing fields of the supply chain to ensure Canadian supply chain professionals and organizations are recognized for leading innovation, global competitiveness and driving economic growth.

Supply chains are not linear. They are complex eco-systems with intricate connections where even a small change can have far-reaching impact. Likewise, education has to continue to evolve. While we will continue to provide life-long learning from foundational, evaluative learning early in the career to discussion and policy setting on disruptive processes and technologies later in one’s career, it will not necessarily be a linear journey. Education is ongoing—it never ends. **B2B**

“As one grows in one’s career, there is a shift from being a provider of information and analysis to being the decision maker—from managing one’s own productivity to ensuring the productivity of the department and the organization.”

Even the way we access and experience education is continuing to change, not just for supply chain, but also in general. There is a growing preference for instant access and validation. Technology allows for simulations and prediction software with an accessibility and accuracy that is unprecedented. Today, it’s possible to acquire a base understanding through a “boot camp” with reinforcement on the job that reduces learning time from years in school to weeks in work-life. There will always be a need for some type of formal education but it will be augmented by ongoing learning with peer-to-peer best practices sharing, as well as confirmation of one’s competency such as can be gained through certification from a professional body. Once again, it will be



Rick Cleveland, CTDP, is vice-president, policy and professional development at the Supply Chain Management Association (SCMA).

PAST, & PRESENT & FUTURE

To mark the 60th-anniversary of *PurchasingB2B* magazine, Eddy Jin looks at how Canada's public procurement sector can work to remove fear and embrace innovation, analysis and client needs.

It's hard to dispute that the Supreme Court Decision in 1981 on *The Queen v. Ron Engineering* created a lasting paradigm for public procurement. The creation of the Contract A-Contract B model of tendering from the decision shocked public agencies—the realization was that every nuance of their procurement processes potentially became an open invitation for legal challenges. Suddenly, public procurement became a game of protagonists and antagonists. Instead of forming positive relationships with business partners, public procurement professionals were scornful of suppliers and vice versa. The legal community became novelists with their regular summaries of procurement case law. And by stoking the risks from those examples of maleficence, moved public procurement towards a climate of fear.

This climate of fear was entrenched early this century when malefaction was alleged in two major public procurement programs. Commission reports delivered by Justices' Bellamy (on City of Toronto Computer Leasing) and Gomery (on Federal Sponsorship Spending) in 2005 entrenched the theme that process was clearly going to overshadow purpose. The six o'clock news and auditor reports on government procurements compli-

mented legal newsletters in supplanting supply chain knowledge as professional development materials for the public procurement professional.

The present

That was the auspicious past. With the reality that we're living in a new normal of increasing economic constraints, public procurement has been charged with a greater mission; delivering value for money. Although rigorous processes are important, the need to provide value added services has refocused procurement's agenda. And how have we been moving in that direction?

Flexible formats: With the introduction of flexible bidding formats at the turn of the decade, the inherent risks associated with the Contract A-B paradigm has become an anomaly. Freed from the constraints of a restrictive tendering structure, procurement can now deliver greater value by fostering more creative business processes and as a result, stronger partnerships. This is evident in the evolution of bidding formats like the 'competitive dialogue' approach. A plethora of organizations are now using multi-staged procurements that maximize the expertise of potential partners and the

management of risks in a collaborative process. It's only a matter of time before 'agile procurement', common in the IT world, becomes a common methodology in public procurement.

Client needs: Agency leaders, sensitive to the criticism that their procurement function had become policy enforcers, discovered that creating value to their organizations meant they needed to actually understand client needs; and deliver on them. The use of design thinking approaches has created enormous insights on how procurement can be a real value-added service. Design thinking in a nutshell is the multidisciplinary approach to understanding user needs and both iteratively and collaboratively creating solutions for them. As examples, the healthcare sectors in both British Columbia and Ontario have adopted patient outcome as the measure of true value. It's important to note that cost savings is not the key deliverable in their models as that is not the primary need of patients. Although still in its infancy within public procurement, the benefits of improved compliance, greater program utilization and strategic leadership have been some of the benefits seen when design thinking has been applied in



public procurement programs across the country.

Buying power: What province today isn't actively promoting or legislating the adoption of shared services; or it's true moniker, collaborative purchasing? It is a foregone conclusion that economies of scale (i.e. buying power) and process efficiencies will deliver significant value. As organizations continue 'piggy-backing' onto large collaborative contracts, the collection and analysis of spending data is falling behind i.e. we don't know what we're buying. Public procurement has never had the luxury of employing numerically advanced skillsets. By utilizing advanced analytical skills, public procurement has enormous potential in developing strategic sourcing strategies that maximizes collective spending. We need to convince the budget Mandarins of the cost-benefits of keeping spending analysis properly resourced.

E-procurement: Whether it's online buying or bidding, automating procurement processes has been the holy grail of procurement efficiency. Public procurement was a pioneer in the nation's e-marketplace space when the University of Toronto implemented its end-to-end

paperless e-procurement system in 1998. It was a model cloned across the province of Ontario but two decades later, still has growing pains. That's partly because of the quantitative challenges in justifying the operational costs vs. benefits of its use. E-bidding services are now approaching its peak (think Gartner 'hype' cycle) but there is still a significant lack of standardization. Imagine the challenges of data migration when you switch providers! While we are attracted to the allure of what automation may do for our processes, one should take pause in the proficiency that is required to fuel these solutions. You cannot adopt technologies without the ability to speak its language. In the case of these tools, they are the future of public procurement and we need to continue to resource it with numerical and analytical skillsets to realize its benefits.

The future

Technology: Technologies abound when you consider how they may impact public procurement. How will drones affect logistics? Will Bitcoin or other cryptocurrencies finally eliminate the invoicing and payment conundrum? Will artifi-

cial intelligence and robots really replace public procurement professionals? All these technological advances point to doing things better with the initial measure that technology will result in valued added efficiencies or benefits to the procurement function. The question about the future and technology however, is really not what they are, nor what it will do for public procurement, itself. Future technologies need to be refocused on how the tools will benefit the clients or end users. That benefits accrue to the public procurement professional should be a wonderful afterthought.

Global procurement: Multilateral trade agreements like CETA will push public procurement into the forefront, as government procurement is typically a major component. Not surprising since govern-

ment spending often represents 10-20 percent of a nation's GDP. This promise is a double-edged sword—as our processes and models are now under scrutiny on the international level. For example, many European nations have been applying advanced techniques in both tendering and evaluation so it will be a challenge to ensure our programs are in alignment with what their suppliers are experienced with.

Relationship building: As was posited at the beginning of the article, the Contract A-B era eliminated the art of relationship building. With the growing need for client engagement and supplier management, soft skills or emotional IQ will be a desirable trait in public procurement. It's one thing to demand something under contract with a supplier, but it's another skillset when there's negotiation or compromise required in getting a project back on track. Furthermore, if we accept meeting client needs as the future of public procurement, the skills of engagement will become as desirable as negotiation skills. However, after decades of 'policy policing', is public procurement ready to

“With the introduction of flexible bidding formats, risks associated with the Contract A-B paradigm have become an anomaly.”

be the trusted advisors that clients really desire? Or are we too comfortable in welding a hammer when we will need to wear velvet gloves?

The future of public procurement should be about the advocacy and adoption of innovations. It should be about focusing on how the procurement process will support the purpose of the organization. We will get there faster if we move the pendulum away from fear and towards delivering value to both clients and the organization, as a whole. **B2B**



Eddy Jin is a Principal Consultant at EJ & Associates. Reach him at eddy@eddyjin.ca.

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| <input checked="" type="checkbox"/> Material Management | | |
| <input checked="" type="checkbox"/> Michael Godbold | mike.godbold@city.com | |

Cancel Save

4 SYSTEM ALERTS

Any critical tasks that require close attention can be identified with alarms so that **when those tasks are due the system can notify the buyer** responsible for the solicitation or assignee to the task.

Reminders

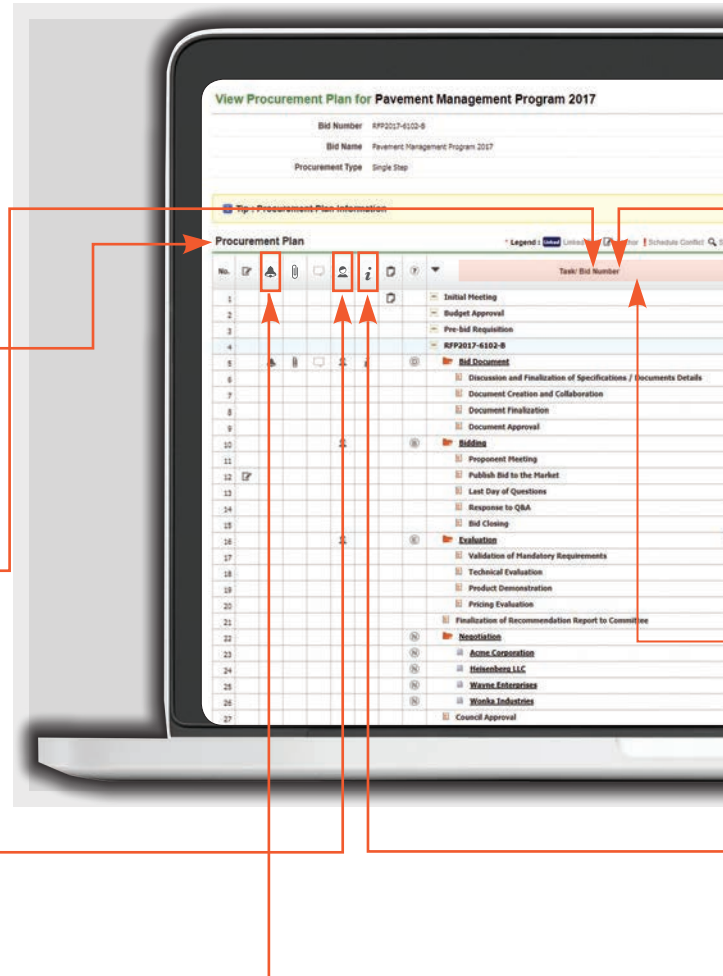
Send Jennifer Penney an email reminder on Tuesday 06/27/17 for Bid Document.

June 2017

| S | M | T | W | T | F | S |
|----|----|----|----|----|----|----|
| 28 | 29 | 30 | 31 | 1 | 2 | 3 |
| 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| 18 | 19 | 20 | 21 | 22 | 23 | 24 |
| 25 | 26 | 27 | 28 | 29 | 30 | 1 |

Reminder message (optional)

Cancel Save



MANAGING PROCUREMENT

• Track Tasks • Analyze Workload

| Procurement Summary | | | |
|---------------------|-----------------|-----------------|---------------|
| Started Date | Target Duration | Actual Duration | Status |
| 07/20/2017 | 70 dn(s) | 70 dn(s) | Tender Closed |

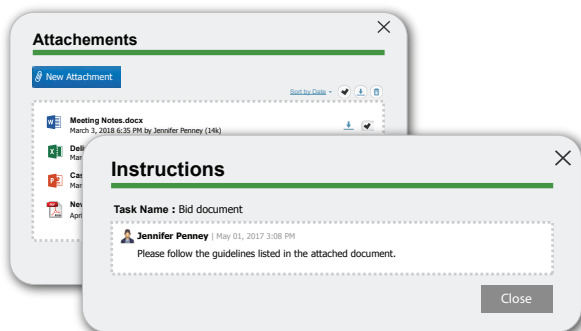
See more [File Attachments\(s\)](#) [Assign\(s\)](#) [Process Form](#)

[Add Plan](#) [View Task List](#) [View Plan Chart](#) [View Plan Summary](#)

| Contract Type | Target Duration (days) | Target | | Adjusted Target | | Actual | | Status |
|---------------|------------------------|------------|------------|-----------------|------------|------------|------------|----------|
| | | Start | Due | Start | Due | Started | Complete | |
| RFP | 2 | 06/12/2017 | 06/13/2017 | 06/12/2017 | 06/13/2017 | 06/08/2017 | 06/08/2017 | Done |
| | 10 | 06/14/2017 | 06/27/2017 | 06/14/2017 | 06/27/2017 | 06/12/2017 | 06/27/2017 | Done |
| | 5 | 06/28/2017 | 07/04/2017 | 06/28/2017 | 07/04/2017 | 06/27/2017 | 07/04/2017 | Done |
| | 70 | 07/05/2017 | 10/10/2017 | 07/05/2017 | 10/10/2017 | 07/20/2017 | | On-going |
| | 9 | 07/05/2017 | 07/17/2017 | 07/05/2017 | 07/17/2017 | 07/20/2017 | | Delayed |
| | 1 | 07/05/2017 | 07/05/2017 | 07/05/2017 | 07/05/2017 | 07/05/2017 | 07/05/2017 | Done |
| | 5 | 07/06/2017 | 07/12/2017 | 07/06/2017 | 07/12/2017 | 07/06/2017 | 07/11/2017 | Done |
| | 2 | 07/12/2017 | 07/14/2017 | 07/12/2017 | 07/14/2017 | 07/11/2017 | 07/12/2017 | Done |
| | 1 | 07/17/2017 | 07/17/2017 | 07/17/2017 | 07/17/2017 | 07/12/2017 | 07/14/2017 | Done |
| | 16 | 07/18/2017 | 08/08/2017 | 07/18/2017 | 08/08/2017 | 07/20/2017 | 07/20/2017 | Done |
| | 1 | 07/18/2017 | 07/18/2017 | 07/18/2017 | 07/18/2017 | 07/18/2017 | 07/18/2017 | Done |
| | 10 | 07/18/2017 | 08/01/2017 | 07/18/2017 | 08/01/2017 | | | Critical |
| | 2 | 08/02/2017 | 08/03/2017 | 08/02/2017 | 08/03/2017 | | | Critical |
| | 2 | 08/04/2017 | 08/05/2017 | 08/04/2017 | 08/05/2017 | | | Critical |
| | 1 | 08/08/2017 | 08/08/2017 | 08/08/2017 | 08/08/2017 | | | Awaiting |
| | 14 | 08/09/2017 | 08/28/2017 | 08/09/2017 | 08/28/2017 | 07/20/2017 | 07/20/2017 | Done |
| | 7 | 08/09/2017 | 08/15/2017 | 08/09/2017 | 08/15/2017 | | | Awaiting |
| | 2 | 08/18/2017 | 08/21/2017 | 08/18/2017 | 08/21/2017 | | | Awaiting |
| | 4 | 08/22/2017 | 08/25/2017 | 08/22/2017 | 08/25/2017 | | | Awaiting |
| | 1 | 08/28/2017 | 08/28/2017 | 08/28/2017 | 08/28/2017 | | | Awaiting |
| 3 | 08/28/2017 | 08/31/2017 | 08/28/2017 | 08/31/2017 | | | Awaiting | |
| 10 | 09/01/2017 | 09/14/2017 | 09/01/2017 | 09/14/2017 | | | Awaiting | |
| 10 | 09/01/2017 | 09/14/2017 | 09/01/2017 | 09/14/2017 | | | Awaiting | |
| 10 | 09/01/2017 | 09/14/2017 | 09/01/2017 | 09/14/2017 | | | Awaiting | |
| 10 | 09/01/2017 | 09/14/2017 | 09/01/2017 | 09/14/2017 | | | Awaiting | |
| 3 | 09/15/2017 | 09/18/2017 | 09/15/2017 | 09/18/2017 | | | Awaiting | |

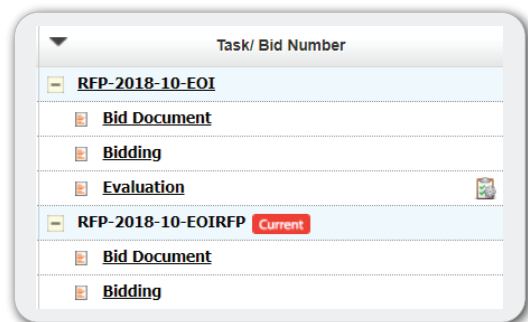
5 ATTACH INSTRUCTIONS

When a senior manager leaves an organization, they leave with vast knowledge of the organization and its business processes. By having organizational process instructions on each task, **knowledge transfer becomes seamless**, even with major personnel changes.



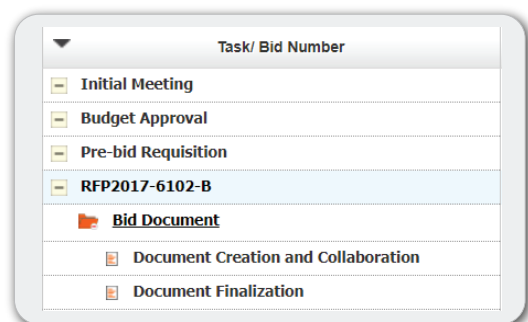
6 TRACK MULTI-STEP PROJECTS

PPM lets agencies track solicitations requiring multiple steps in one plan, like an RFI/RFP. Each step is managed individually or integrated. Either way, those details are in a plan—by accessing the plan you have every step needed for decision-making. **Now that's a good audit trail!**



7 CENTRAL STORAGE

PPM is part of Biddingo's SaaS (Software as a Solution) based Procurement solution. All plan details are stored and managed by Biddingo. That means agencies can **access all procurement project details in one place** without the need for an external data storage solution.



Having that knowledge storehouse not only makes **the procurement process smooth and efficient**, it safeguards vital process and procedure data that may be lost as a result from staff changes. As projects accumulate, that data lets agencies track trends and see what factors cause bottlenecks, thereby **improving performance and productivity while building better client relations**.

For more information on
Biddingo's PPM Module
visit www.Biddingo.com/PPM.

DIGITAL *journey*

York Region has successfully digitized its bidding process

Automating procurement functions can be a multi-step process for many organizations. The Regional Municipality of York, just north of Toronto, began such a journey when it started to digitize its procurement process back in November 2009. At that time, it started using bids and tenders software from a company called eSolutions to post procurement documents, says Jerry Paglia, the regional government's procurement director. While the system made documents available for downloading, people still had to bid manually by printing off the documents and submitting bids. "We also still had paper documents available," he says. "So if somebody wanted to come into our office they could pick up a hard copy."

In 2015 the region purchased an e-bidding module from eSolutions, Paglia says. York Region piloted the module

familiarity. The number of hard copies we were selling was starting to dwindle."

But the process wasn't without obstacles, Paglia notes. Learning to use the eSolutions platform and training staff was a challenge. Staff needed to learn how to create procurements—for example, building pricing tables could be a bit tricky. The region also worked with eSolutions to customize certain aspects of the system, as well as to create e-bidding terminology, to meet the region's needs. Bidders also needed to learn how to use the system, Paglia says. For procurements starting with a new pool of vendors, the region held an "enhanced bidders meeting" during which attendees got information on the system. And while these and other challenges arose, the hurdles were manageable, Paglia notes.

Despite the challenges, the system also has no shortage of advantages, Paglia

accepted—or if the wrong document is uploaded. The systems also reduces the environmental impact by eliminating paper use and simplifies life for bidders, who no longer need to show up at the region's offices with their bid.

"The eSolutions platform has been deemed compliant with trade treaty requirements," Paglia adds. "It also allows us to reduce the amount of time that we have to keep our procurements out because under CITA you have to start at 40 days but you can take up to 15 days off of the bidding period by having a fully functioning e-bidding system."

Vendors have adjusted well to the system, Paglia says. E-bidding is supported by industry associations such as the Ontario General Contractors Association. The region has received some "very positive feedback from the industry," he adds.

York Region now hopes to introduce an e-fund transfer function to bring forward procurements where a deposit is desired but there's no bonding, Paglia says. The municipality would also like to use e-bidding in other areas like pre-qualification and expressions of interest. The system has other functions, such as vendor management, that the region may employ going forward, Paglia notes. "We have very restricted access rights," he says. "The system's only accessed by the procurement office and legal. At some point we envision rolling the access out to a bigger audience."

Overall, introducing e-procurement in York Region has been "very successful," and council is happy with the system, Paglia notes. "It's all very positive," he says. "Once we have e-fund transfer functionality we'll be fully automated on our tendering side and then bring in e-RFPs. I would say it's been a huge success." **B2B**

“The system's only accessed by the procurement office and legal. At some point we envision rolling that access out to a bigger audience.”—JERRY PAGLIA, YORK REGION

for road construction tenders, with the first e-bid issued on November 6 of that year. E-bidding was fully implemented on construction tenders by the end of 2016. The following year, the region rolled out e-bidding for all other tenders that didn't need a deposit, such as certified cheque or bank draft. The municipality has just recently implemented its new e-RFP, with all tendering now electronic.

"The good news for us is, it was fairly easy to implement e-bidding from the perspective that the vast majority of our vendors were already accessing the documents online," Paglia says. "They already knew how to get the documents and the addendum so there was already some

says. Once bidders are trained, the system is easy and efficient. The system is intuitive and guides the user through the process, using green checks and red exclamation marks to indicate what's been completed and what's outstanding. Through built-in compliance checks, bidders can't submit a non-compliant bid.

There's also flexibility with closing dates, Paglia adds. The region can close procurements at any time and it's easy to extend closing dates and issue addenda. Communication with bidders is easier and non-compliance has dropped to almost nothing—the only avenues for non-compliance are if a bid isn't submitted on time—in which case bids aren't

LEADERS *Of* PROGRESS

Women continue to enter procurement at the highest levels

At one time, procurement was a decidedly male-dominated field. But gradually and inalterably, that situation has been changing. No longer dominated by men, procurement and supply chain management are fields now occupied by women. Women have emerged in senior roles in procurement, setting a trail for others looking to enter a rewarding, exciting and influential career.

This year, *PurchasingB2B* celebrates its 60th anniversary. In 1958, when the magazine began publication, women were likely rare in senior procurement positions. To celebrate not only our publishing anniversary but also the progress women have made in the field, *PurchasingB2B* profiled several women in procurement to get their thoughts on their careers, the profession generally and what it takes to succeed.



Madeline Baker,
director, procurement,
IT & Global Services,
TELUS

Q *How did you get involved in procurement?*

I joined a procurement leadership development program in the UK straight out of university, as it seemed to be a strong career path with a mix of things I enjoyed. Since then, I've had the opportunity to work in global and regional roles based in the UK, US and Canada buying a diverse range of goods and services from colours and raw materials, to contingent workforce, outsource services and IT hardware at increasing levels of seniority.

Q *What do you currently buy?*

My team is responsible for sourcing IT hardware and software, technology services including AI, and outsourcing services. I am also the supplier diversity lead for TELUS.

Q *What's the highlight of your career?*

Within TELUS we are going through a procurement transformation and redefining the delivery model for how we support the orga-

nization. Over the past two years it has been very rewarding seeing our vision of "Procurement 2020" come to life, including the launch of marketing videos and communication strategies that reposition the function's value positively. Being a part of the journey and playing an integral role in the conception, design and implementation of our strategy continues to be a highlight.

Q *What's been the biggest career challenge you've faced?*

For personal reasons I relocated to Vancouver, which required me to leave my previous organization as there was no local presence. My career challenge was making sure I was moving to an organization that aligned with my personal values, within a role that supported my career goals. I spent a lot of time researching organizations and waiting for the right opportunity that I knew was going to continue to motivate and develop me—and I found that at TELUS. My advice when

you're looking to move for personal or professional reasons is to do your research and consider what environment and role will motivate and develop you, and not just take the first option or the highest salary.

Q What's the value of networking and finding mentors?

Finding effective mentors and networking will be a differentiator. Beyond the obvious support to develop your own capability, networking is essential to help bring the outside in to an organization. To achieve your potential you need to continue to learn, make your strengths stronger and your development areas

passable—if you were excellent at everything you wouldn't be unique.

Q What advice would you give women thinking about going into procurement?

Do it! I love procurement because of the range of skills and behaviours that it fosters. Being successful in procurement is often about effective influencing, understanding stakeholder objectives, project management, communication, analytics, driving innovation and execution. Some of the most impactful procurement leaders I have had in my career have been women, and I'm confident the

glass ceiling has smashed.

Q What is your future plan in procurement?

As the recognition of procurement's role in an organization grows, so do our career options! In addition to hopefully leading a procurement organization one day, I am committed to developing procurement talent and bringing passionate people who care to the function. I hope to continue as a strong voice and advocate for the role procurement can play, bring third-party innovation to support exciting things happening at TELUS, and in support of causes such as supplier diversity.



Maria A. Greaves-Cacevski,
MBA, PMP,
indirect procurement, assistant manager,
Estee Lauder Cosmetics Canada

Q How did you get into procurement?

My procurement career has been fuelled by myriad industry expertise and my drive for success. My first corporate role was as a marketing pricing specialist for tires and batteries in the automotive industry. Immediately following that, in my next position I held buyer/category leadership roles at some of Canada's top retail chains for consumer packaged goods. In 2008, during the economic downturn, I embarked on a new career opportunity and I switched my focus to leading change through SAP implementation projects within the food, drugs and cosmetics industry. Today, my Master of Business Administration (MBA) degree, multiple cross-industry certifications from the Logistics Institute (P.Log) and my most recent accreditation from the Project Management Institute (PMI-PMP) help guide my career. I have had the opportunity to give back to the procurement community by teaching part-time and being a guest speaker at local colleges.

Q What are some products or categories that you buy?

Regionally, I support the Canadian sup-

ply sites for Estee Lauder Cosmetics, a leading beauty manufacturer for quality skincare, makeup, fragrances and hair care products. My role provides maximum value to the business by driving the execution of and compliance with the agreed categories strategies for millions of dollars in indirect spend. With a supplier base in the thousands; tangible products range from hairnets to laser equipment while intangible services, include but are not limited to mechanical services to recycling and waste management. In addition, I support global initiatives that include consolidating contracts between Canada, the US and supplier payment terms optimization strategies.

Q What do you like most about indirect procurement?

I enjoy the challenging aspect of strategic sourcing within the domestic and global marketplace. Finding cost savings and cost avoidance while simultaneously maintaining or improving quality is the highlight of my job. I focus on metrics to report operational excellence and sustainability as being profitable to the bottom line.

Q What's the best part of your job?

Procurement is never status quo nor mundane. Every day there are new obstacles globally, regionally and industry specific that add a layer of complexity to each stakeholder relationship. The best part of my job is meeting and exceeding these stakeholder expectations.

Q What trends are affecting procurement?

Trends within the industry are relying on automation for risk management, which includes decision-making criteria for risk-prone and risk-averse suppliers, as well as continuous process improvement for operational efficiencies. The rollout of new procurement technology must focus on making transactions more cost effective, such as reducing waste of resources' time participating in non-value-add tasks. When organizations look to implement procure-to-pay (P2P) or source-to-pay (S2P) software it is imperative that there is an existing IT infrastructure that allows system upgrades to happen with in-house subject matter experts assisting with the implementation.

Q What advice would you give women looking to get into or advance in the field?

Relationships matter. Procurement is the art of balancing both internal and external relationships. Align yourself with a positive network that is agile and dynamic to support your career trajectory.

Q *How did you get involved in procurement?*

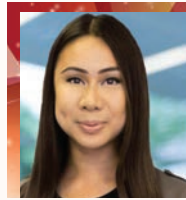
Like many in the field before me, I sort of stumbled into it. When I started my commerce degree, I aspired to be an accountant but quickly discovered it was not the career for me. Through networking with industry professionals, I developed an interest in supply chain management and procurement. I was hired by one of my university instructors for my first procurement job and I've worked in procurement ever since.

Q *What do you buy?*

Through training, auditing and continuous improvement of our policies, procedures and contract templates, I support the procurement of goods, services, and large construction projects for Manitoba Housing buildings.

Q *What do you consider a high light of your career?*

Last year, I took considerable strides in my career. In 2017, I was awarded the first Ascendant Award from the Supply Chain Management Association (SCMA). Nominated alongside my counterparts in other provinces, I was selected as SCMA's "rising star" on a national level. That same year, I completed my Supply Chain Management Professional (SCMP) designation. As a previously term employee, I went on to leverage both the award and my SCMP for a permanent position with Manitoba Housing where I work as a procurement specialist. When my family immigrated to Winnipeg from the



Katrina Daaca, SCMP
procurement specialist,
Manitoba Housing

Philippines in the 80's, our first home was social housing. I'm honoured and humbled to have the opportunity to serve the communities that had given my family so much and for me, it is very much a highlight of my career.

Q *What's been the biggest career challenge you've faced?*

Overcoming age and gender biases is an ongoing challenge. The narrative around millennial workers (especially women) is overwhelmingly negative and it's time young professionals take back the term and make it positive. As a procurement professional under 30 it's easy for others to overlook my accomplishments and experience. I overcome this by working hard and standing up for myself, and other young professionals, when credit is due.

Q *What's the value of finding mentors and networking?*

Networking and mentorship has been a crucial part of my career. Almost every job offer I've received has been thanks to a personal connection or referral. The ability to lean on my network has also been critical in benchmarking best practices in procurement and has allowed me to integrate industry best practices at my

organization. Networking is an excellent way to keep your finger on the pulse of the procurement industry. What are the current opportunities, challenges and innovations in procurement? Your network will be talking about it.

Q *Do you have any advice for women going into procurement?*

Be bold, put yourself out there and don't be afraid to forge those industry connections.

Q *What are your career future plans?*

I hope to be an advocate for others working in the field and to continue to carve a path for other young women in procurement and supply chain management. There is a saying: if you're lucky enough to do well, it's your responsibility to send the elevator back down. I truly believe that I have a responsibility to send the elevator back down through volunteerism, mentorship and by setting a high level of professionalism so those outside of the profession recognize procurement professionals as leaders in the workplace. No one gets to where they are on their own so my mandate is to support those who are up-and-coming in procurement.



Sherry Marshall, CCTE, GTP
senior manager-meeting,
travel & corporate card,
PwC

Q *What's your background and current role?*

Prior to my current role at PwC I spent nine years at Amex Travel GBT in various roles including corporate card. The experience I gained working at Amex Travel GBT with various clients was very help-

ful for me to bring value to PwC outside of the firm world. Since I have in-depth knowledge of the travel industry I was able to bring best practices and spend more time on strategy since the core functions were easy tasks for me. Over five years ago in my current role I also took

on the responsibility of Meeting & Event Services (MES)—I had the task of creating a nationally centralized program. Over the years I have focused on getting the Meeting & Event Services program to the same maturity level as our travel program by implementing many processes and a meeting management tool. There are so many synergies between MES and travel, plus a great opportunity to leverage the spend and supplier management.

Q *What's your educational background?*

I went to college for a travel and tourism

diploma. I always knew I wanted to work in the travel industry and landed my first job before finishing school. Over the years I have taken many certification courses, leadership training and other courses offered by associations like the Global Business Travel Association (GBTA).

Q *Why is involvement with professional organizations important?*

Since travel is not PwC's core business, our travel department is two people so it helps to interact with other professionals in similar roles. The other benefit is training, it is very specific to the travel industry which is not offered by my employer.

Q *What does a typical day in your job look like?*

Since I have a team who run the day-to-day operations of our Travel & MES programs I'm usually spending my time on more strategic priorities. At the moment I am working on implementing Vcards for MES. Throughout the year there are many travel sourcing items to manage

such as TMC, annual hotel RFP, airline contracts and so on. I'm asked to be part of various projects that touch travel or MES in some way. There is a variety of work that makes things very interesting. I have two direct reports in our regional offices so I travel often to coach them.

Q *What plans do you have in the field for the future?*

I like to be a trailblazer. I want to use the latest technologies and think outside the box to enhance the Travel & MES experience. I like questioning the status quo and to be the first to try something new. Luckily, I work for a firm that is very supportive and open to new ideas or ways of doing things. I also like re-engineering things. Why do we still need to do it that way? Is there a better way? Just because we've done it that way for 10 years doesn't mean it is right for today—lets find a better way.

Q *Tell us something about yourself that most people wouldn't know?*

I spend a lot of my spare time in the summer cycling. I even recently brought my bike on a vacation. What a great way to see a destination.

Q *What skills, knowledge and education will those entering travel management need in the future?*

Having a travel background is definitely a great asset but some type of procurement experience is really a must.

Q *What advice would you give those considering a career in travel management?*

Be ready for constant change and disruption. Plus, it will never be boring.

The Canada-United States Council for Advancement of Women Entrepreneurs and Business Leaders has released a new report focusing on increasing women's access to capital. Check out our online story here: <https://bit.ly/2KYRJZ5>.

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The future of the automotive industry is electrifying.

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Best practices for fleets to deal with impaired driving.

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Tire pressure's role in road safety.



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Fleet Management is a special section of *PurchasingB2B* magazine, running in the February, June, August and December issues. It is an important resource for Canadian procurement professionals who recommend, select and manage fleet vendors and service providers. Editorial inquiries: Michael Power, MPower@PurchasingB2B.ca. Advertising inquiries: Dorothy Jakovina, 416.441.2085 ext. 111, djakovina@PurchasingB2B.ca.

Toyota unveils parts distribution centre design



Toyota Canada Inc. (TCI) kicked off the construction of its newest Canadian facility with a first look at the new building's design. Clarington, Ontario will be home to the company's new Eastern Canada Parts Distribution Centre.

Set to begin operations in fall 2019, the 350,000-sq-ft. facility will be built on 30-acres of land near Baseline and Lambs Roads in Bowmanville. The new location's access to major transportation routes will allow TCI to service customers and dealerships across Eastern Canada, the company said. When it opens its doors in 2019, the facility will aim to be a LEED silver certified building.

ARI a great place to work: institute

Fleet services provider ARI has been recognized as one of the 2018 Best Workplaces in Canada. Ranked at number 26, this marks the second consecutive year ARI has been named to the Canadian list.

"We are incredibly proud to be recognized as one of the Best Workplaces in Canada and being named to the list for the second year in a row is a tremendous honour," said Geoff Seely, vice-president and general manager, ARI Canada.

The 2018 list was compiled by the Great Place to Work Institute. The Institute noted ARI's collaborative atmosphere, workplace culture that emphasizes work/life balance. ARI was also commended for its Partners in Excellence employee engagement program, its Healthier at Holman wellness initiative and commitment to employee development that includes full tuition reimbursement and Holman University, an in-house educational program.

The competition is based on two criteria: two-thirds of the total score comes from confidential employee survey results and the remainder from an in-depth review of the organization's culture. Together, they provide data relative to five trust-building dimensions: credibility, respect, fairness, pride, and camaraderie.



Rear crash prevention ratings aim to cut parking lot collisions

The Insurance Institute for Highway Safety (IIHS) has launched a rear crash prevention ratings program to identify models with the technology to help prevent or mitigate low-speed backing crashes. Two systems earn the highest rating of superior, and four earn the second-highest rating of advanced.

Rear crash prevention encompasses several technologies, said the institute. Parking sensors issue warning beeps or seat vibrations when the vehicle gets too close to something behind it, or in some cases, in front. Rear cross-traffic alert warns of approaching vehicles that might cross their path as they back up. Rear automatic emergency braking systems detect objects behind a vehicle and may automatically brake if the driver doesn't heed stop alerts.

The IIHS evaluated rear autobrake systems on six 2017 models: the BMW 5 series sedan, Cadillac XT5 SUV, Infiniti QX60 SUV, Jeep Cherokee SUV, Subaru Outback wagon and Toyota Prius hatchback.

Under the three-tier rating scheme, models with optional or standard rear crash prevention systems are rated superior, advanced or basic. Ratings are determined by whether the vehicles have available rear autobrake and, if so, how it performs in a series of car-to-car and car-to-pole tests with different approach angles. The availability of parking sensors and rear cross-traffic alert also factored in. The Outback and XT5 earn a superior rating when equipped with optional rear autobrake, parking sensors and rear cross-traffic alert. The Cherokee, 5 series, QX60 and Prius earn an advanced rating with this optional gear.

Vincentric announces 2018 Fleet Value Awards

The 13th annual Vincentric Best Fleet Value in America awards were announced with Ford Motor Company, Nissan North America, and Toyota Motor Corporation showing strong fleet industry value. The three manufacturers won nearly half of the 2018 Vincentric Best Fleet Value in America awards.

Ford earned seven Vincentric awards, led by the Taurus, which won for the eighth time, and the F-150, which took top honours for the sixth time. Nissan had six winning vehicles with the NV 200 delivering the win for the fifth year in a row in the

Small Commercial Van segment and the Infiniti brand earning three awards in luxury segments. Toyota's strong fleet lineup was evident as they earned five Vincentric awards, led by the mid-size Camry and the Tacoma pickup which won for a record-setting 12th time.

BMW, Chevrolet, Subaru, and Mercedes-Benz also performed well, each taking home three Vincentric fleet awards, while Hyundai and Audi each had two award winning vehicles.

To determine the winners, Vincentric performed a cost of ownership analysis measuring over 2,500 vehicle configurations based on typical fleet use. Using eight different cost factors—depreciation; fees and taxes; financing; fuel; insurance; maintenance; opportunity cost; and repairs. Vincentric identified winners by determining which vehicles had the lowest fleet life-cycle cost in the most scenarios within its segment.

Tire inflation survey a wake-up call to drivers

Canadian drivers have gaps in their knowledge of how to maintain proper tire inflation, according to a new tire maintenance attitudinal survey by Leger on behalf of the Tire and Rubber Association of Canada. While nine-in-ten drivers surveyed believe motorists have a responsibility to make their vehicles as fuel efficient as possible and 96 percent say proper tire inflation is important, the survey also finds that:

- 30 percent measure tire inflation pressures monthly;
- 65 percent are unaware inflation pressures should only be measured when tires are cold;
- 37 percent refer to the air pressure stamped on the tire's sidewall when identifying the correct pressure for their tires—not the recommended inflation level; and
- 22 percent rely on visual inspections to determine if their tires are inflated properly.

Among motorists who say proper tire inflation is important to them, top reasons cited include: vehicle safety (84 percent); longer tire life (74 percent); fuel economy (73 percent) and improved vehicle handling (71 percent).

Other positive news emerging from the study is that 61 percent of drivers use a personal air pressure gauge when measuring tire pressures. As well, 86 percent report they rotated their tires in the past year and 66 percent had their vehicle's tire alignment checked in the past 12 months.

Measuring tire pressures monthly can save costs. Motorists can improve gas mileage by 0.6 percent on average—sometimes up to three percent—by keeping tires inflated at proper pressure. The environmental benefits are also significant. Drivers operating their vehicles on underinflated tires are expected to waste over 500 million litres of fuel in 2018. **B2B**



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The ABC's of EVs

There are several kinds of electric vehicles on the market, but which one is for you?

Just like their conventional, gasoline-driven counterparts, electric vehicles come in myriad types and sizes. There are compacts and large sedans, vans, buses and even pickup trucks—and there are nearly as many types of powertrains to drive them. But it's the range of acronyms that describe alternative energy vehicles that can leave the uninitiated feeling a little bewildered. There are three main categories of EV (electric vehicle) technology: BEV, HEV, and PHEV, with FCEV a fast-rising fourth.

BEV—Battery-electric vehicles

BEVs, or battery-electric vehicles, run entirely on the energy stored in their battery packs. This energy is used to power an electric motor, which turns the wheels. Users recharge the battery by plugging the vehicle into a charge station, or 240-volt household electrical outlet. There are several advantages to BEVs—the main one, of course, is never having to pay for gas again. With no tailpipe, there are zero emissions and less impact on the environment. Without the noise and vibration of an internal combustion engine, an all-electric vehicle is quiet—almost eerily so. But there are downsides to owning a BEV. They're expensive to buy and it takes a few years of gas-free motoring to make up for the dollars saved at the gas pumps. However, Ontario buyers can receive up to \$15,000 in rebates—including \$1,000 towards installing a home charge station.

Early adopters of BEVs experienced severe range anxiety, and while current models have improved considerably, the infrastructure to support charging is still lacking should battery power run low.

Depending on the size of battery and speed of the charging point, it can take as little as 30 minutes or as long as 12 hours to fully charge. BEVs are still considered a second car, or inner-city runabout for those with a short daily commute—especially given the effects of our winter climate upon battery life.

The Nissan LEAF's range has doubled since it debuted back in 2010. It can now travel up to 241km on a single charge. The world's best-selling electric car has an improved design, with a roomier interior and new, advanced technologies. ProPilot Assist “reduces driver workload” by keeping you within your lane, maintains a safe distance between you and the car in front, automatically brakes when traffic stops and accelerates when it begins moving again. The LEAF's e-powertrain produces 147hp, and 236lbs-ft of torque. Charge time with Level 2 charger is 4.5 hours. It starts at \$35,998 with up to a \$14,000 rebate.

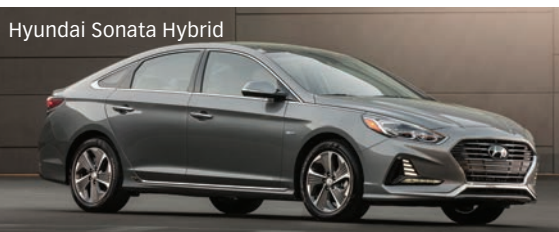
It starts at \$35,998 with up to a \$14,000 rebate.

Ford Focus EV is a conventionally styled hatchback that seats five. A nice complement of standard features includes eight-inch touchscreen with voice-activated navigation, a nine-speaker Sony sound system and a SmartGauge with EcoGuide instrument cluster that monitors driving habits and offers tips on improving efficiency. It's powered by a 143hp electric motor and has a 185-km average range. Charge time with Level 2 charger is 5.5 hours. They start at \$34,998 with up to \$14,000 rebate.

PHEV—Plug-in hybrid electric vehicles

Like BEVs, plug-in hybrid electric vehicles can run solely on power stored in the onboard battery pack, and are recharged by plugging into the grid. But as a backup they're also equipped with a gasoline internal combustion engine should the battery run low. The benefits of a PHEV are zero emissions and good fuel efficiency when operating on battery alone, elimination of range anxiety with a backup motor and they're inexpensive if used for short commutes. Among disadvantages, they're relatively expensive, complex to maintain, not that efficient on gas and have uncertain resale value.

The Chevrolet Volt, now in its third model year, offers 85km



Hyundai Sonata Hybrid



of EV range and a combined fuel rating of 5.7L/100km when operating on gasoline. A new Driver Confidence Package includes blind-zone monitors, rear-cross traffic alert and rear park assist. Combined power output is 149hp. Charge time with a level 2 charger is 4.5 hours. They run from \$39,095 with up to \$13,000 rebates in Ontario.

The Hyundai Sonata PHEV boasts the largest battery capacity in the mid-size sedan class with an



all-electric range of 43km, and 1,100km combined. Lane keeping assist, Driver Attention Alert, eight-in touchscreen, BlueLink and nine-speaker Infiniti sound system are standard. It charges in two-and-a-half hours with a Level 2 charger and starts at \$44,923 with a rebate of up to \$7,000 in Ontario.

The Toyota Prius Plug-in has a combined electric/gasoline range of 1,000km but only 40km of pure electric. Base models come with Toyota's Safety Sense suite of advanced safety systems, including Pre-Collision with Pedestrian Detection,

tionally operated vehicle, but cleaner and more fuel-efficient. Disadvantages include a higher price, heavier weight and battery packs that may encroach on trunk space.

The Kia Optima Hybrid is a mid-sized sedan with 192hp combined from its four-cylinder engine and electric motor. The smaller, reengineered battery no longer takes up trunk space in the regular hybrid, but plug-in trunk is still compromised. It features standard LED running lights and taillights, keyless entry, heated steering wheel, smartphone integration, heated seats and backup camera plus plenty of available features. They start from \$29,995.



Kia Optima Hybrid



Toyota Mirai

Automatic High Beams, Dynamic Radar Cruise Control. Eco Drive Monitor helps drivers maximize their fuel efficiency. Combined output is 121hp and can be charged in as little as two hours and ten minutes with level 2 charger—starts at \$32,990 with up to \$5,000 in rebates.

HEV—Hybrid electric vehicles

HEVs combine a battery, electric motor and an internal combustion motor to form the drive train. There are various configurations, some use the electric motor solely as a generator to convert energy from braking and store it in the battery, help boost the engine while starting and accelerating and the most efficient will use a smaller ICE engine, which can shut down while decelerating or when stopped. They're very similar to a conven-

efficiency and long-term sustainability. Unlike the other choices, the FCEV relies on neither grid power, nor gasoline—instead it generates energy from mixing hydrogen and oxygen in its fuel stack. The advantages are that they're very clean to operate, since the only emission is water, don't rely on coal to supply electricity and only take a few minutes to refuel. The main disadvantage is lack of infrastructure—there are two charge stations in Ontario and only a handful across the country.

Soon available in Canada, the Mirai is the world's first commercially available hydrogen fuel cell vehicle. It has an output of 151hp and 247lbs-ft of torque, and a range of more than 500km on a tank of hydrogen. There's standard LED head and taillights, touch sensor door handles, noise-reducing glass, heated seats front and back and the full suite of Toyota's driver's assist safety technology. The refuel time is less than five minutes. Canadian pricing is unavailable but the US price is \$57,000 with a three-year supply of hydrogen. Rebates are unconfirmed but expect it to qualify for the full \$14,000.

Honda has provided only limited access to the Clarity FCEV—it's available at only 12 dealerships in California and as a lease only with no option to purchase. Output from the electric motor is 174hp with 221lbs-ft of torque and at 589km the range is impressive. The Clarity comes with a full suite of driver safety systems, including head-up display, Honda Lane Watch, lane keeping assist, adaptive cruise control. There's a comprehensive list of interior features, including a 12-speaker audio system, Apple CarPlay, Android Auto, eight-in touchscreen, leather upholstery. Lease rates are US\$369, which includes \$15,000 in hydrogen fillups. **B2B**



Chevrolet Volt

There are
3
main categories of
EV (electric vehicle)
technology: BEV, HEV,
and PHEV, with FCEV
a fast-rising fourth.



Nissan LEAF



Ford Focus Electric

C. Matthews
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UNDER THE Influence

Impaired driving policies for fleets should be kept simple

While impaired driving has decreased in the US, 27 people still die each day as a result of someone being impaired behind the wheel. All those deaths are preventable since they're the result of people making a decision: to drive while impaired. Phil Moser, vice-president of Advanced Driver Training Services, made those statements at the North American Fleet Association's (NAFA) annual Institute & Expo. Moser's education session, entitled Alcohol, Marijuana and Prescription Meds... Impaired Driving Is on the Rise, looked at issues including how to define impaired driving, best practices for fleets and defensive driving techniques to help avoid collisions involving impaired driving.

While Moser led his discussion with US statistics, he also discussed Canada's impaired driving record. Unfortunately, our record is even worse than that of the US and has among the highest rates of impaired driving among developed nations, he said. And don't assume that impairment only involves intoxicating substances, Moser stressed. Talking on the phone while driving—whether using a hands-free device or not—is as bad as driving with a blood alcohol content of .08 percent.

Moser also discussed the standardized field sobriety test used by the police at roadside. That test can include a physical task such as standing on one leg while counting or reciting the alphabet—two tasks at once is tougher for those who have been drinking. Walking heel-to-toe and looking at a light (called horizontal gaze nystagmus) are also common parts of the test.

Impaired judgment

He questioned whether the US has a relaxed attitude towards impaired driving, stressing that a person's judgment "goes out the window" as soon as they start to drink. Moser encouraged fleet managers to tell drivers to make arrangements for a ride before they start to drink. While alcohol remains the main problem on the road, other substances such as marijuana pose a threat on the road as well. In Colorado, marijuana-related traffic deaths have risen 154 percent, Moser said. A meta-analysis of 60 studies of the drug's cognitive effects showed it caused impairment in every

area affecting driving, such as tracking (lane departure), motor coordination and the ability to perform complex tasks. Opioids also pose a risk, causing effects such as weakness, nausea and hypotension (low blood pressure) which can all affect the ability to drive safely, Moser said. Which substance is responsible for the impairment is less important than not driving to begin with, he stressed. "We have that responsibility to ensure that we're not impaired when we get behind the wheel," Moser told the audience.

During the presentation, Moser offered tips for spotting impaired drivers while on the road, including:

- Vehicles that are weaving within their lane;
- Hugging the lines and using those lines as a guide by which to drive;
- Erratic speeding up and slowing down;
- Slow to take off at green lights;
- Cutting corners either wide or short;
- Not dimming the headlights out of courtesy to oncoming traffic; and
- Tailgating, especially at night when impaired drivers are more likely to use the vehicle in front of them as a guide while driving.

Certain times of the day and night are also more likely to see impaired drivers on the road, Moser said. The time between 12am and 3am is known as the "witching hour" among police, since bars have closed and those who might be impaired are more likely to be behind the wheel. Also, people may drink at lunch, making the time around 12pm also more likely to mean impaired drivers on the road.

While giving advice for developing a driving while impaired policy for fleets, Moser advised to keep it simple: don't operate a vehicle while impaired. The more complicated a policy becomes, the more easily it can be challenged. Incidences of drivers impaired behind the wheel should be reported within 24 hours and the consequences of not reporting must be tough. "If a couple of people lose their jobs they'll start reporting," he said. If an employee is to be terminated for impaired driver, Moser recommended involving legal and HR departments. As well, ensure that the policies are fair, consistently enforced and that drivers sign off on those policies. **B2B**

“
We have that
responsibility to
ensure that we're
not impaired when
we get behind
the wheel.
”

—PHIL MOSER

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NAFA HITS *the* GOLDEN STATE

There was a full week of education and networking opportunities at the 2018 NAFA Institute & Expo

The North American Fleet Association's (NAFA) 2018 Institute & Expo, the continent's largest show for fleet professionals, took place in Anaheim, California last April drawing over 1,000 professionals from around the world. Each year, the event provides an all-star lineup of speakers that features some of the top names in fleet. The I&E features more than 45 education sessions, including many addressing subjects straight out of the news headlines, plus timely concerns facing procurement, fleet and mobility managers.

As always, this year's event featured no shortage of Canadian content. Among the topics was the Canadian Legislative Overview, an education session led by Michael Hatch, senior vice-president at Impact Public Affairs, Canadian NAFA legislative council. And this year, Hatch noted, there are plenty of issues that potentially affect the country's fleet professionals. Among those topics are the ongoing NAFTA negotiations, EPA's fuel economy rules, developments in autonomous vehicles, and more.

Hatch touched on new car sales, noting that the last five years have been record years in terms of sales. The year 2017 saw high sales, with consumers moving away en masse from cars towards trucks, crossovers and SUVs. At the same time, vehicles have become more fuel-efficient. One reason for this trend is government regulations, Hatch said. The "low-hanging fruit" has been picked with regards to fuel efficiency, with OEMs getting more creative in squeezing out more from their vehicles. Canada doesn't have a single, national economy, Hatch noted. Therefore, provincial vehicle sales vary. The four Western provinces accounted for most of the growth in new car sales in 2017. There has been strong growth in fleet sales over the past eight years, with the fleet market share increasing since 2010.

Regarding EPA rules for fuel economy, Hatch said that some pundits believe the auto industry won't be able to meet the organization's goals. Meanwhile, the industry is saying that it can't afford to have different rules across provinces and states. The Trudeau government wants to appear strong on the environment but is in a tough spot because the US might relax fuel economy rules beyond 2025, Hatch said. The main technical spec that consumers look for today is fuel economy and no matter what regulations say investments will continue to be made in that area.

Autonomous vehicles also represent a huge issue at the moment, Hatch said. Earlier this year, the Senate published a report called Driving Change, which lays the groundwork for what AV legislation might look like. It's a high priority for the Transport Minister and the government, which is generally in favour of AVs. However, much is unknown regarding the issue and governments fear the negative headlines that may accom-

“You're dealing with other stakeholders. This requires many fleet managers to get out of their comfort zone.” —DAVID PETERSON, CHARGEPOINT

pany a hard push towards autonomous vehicles. The federal government has also announced that its zero emissions vehicles (ZEV) strategy will arrive this year. Quebec wants to hasten the move towards a strategy while the industry insists the process can't be rushed.

Meanwhile, the NAFTA negotiations roller coaster continues and the US has relented somewhat on the automotive section of the deal, Hatch noted. Still, it's tough to say whether a revamped deal will be struck by the time the Mexican federal election and

US mid-term election are done. Canada is a huge trading partner with the US and many individual states. “There is a major tug-of-war between Congress and the White House on this,” he said.

Electric future

With range increasing, costs dropping and more vehicle choices than ever, EVs are becoming viable for many fleets. One session focused on the issues and solutions associated with providing the infrastructure needed to support electric vehicles. EV sales are growing steadily, said the session’s moderator Tom Brotherton, regional director at CALSTART. Each year there are more chargeable vehicles, with electric trucks now also coming to market. Where should fleets start in sorting out the issues?

When thinking about how EVs could become a solution for fleets, it’s necessary to consider how that vehicle will be used holistically, said panelist David Peterson, director of fleet solutions at ChargePoint. For example, if an employee takes a fleet EV home, the company must think about how to track the fuel. As well, organizations must consider what type of fast charging they will need. “You’re dealing with other stakeholders,” Peterson said. “This requires many fleet managers to get out of their comfort zone.”

Organizations looking at charging solutions must consider what level of capability they’ll need, added fellow panelist Joseph Cannon, director, EV solutions, AeroVironment Inc. Smart stations usually come with a higher cost and organizations often need to consider connectivity for this option. A company can

often reduce electricity costs by delaying charging, and those companies will want to weigh the potential savings against the cost of the networks. Also, it helps organizations to consider whether they plan to collect revenue from non-fleet EV users charging at their stations or not. Also, look at the restrictions involved and whether the network is flexible, Cannon said. Are you able to switch network providers so you’re not locked in? Can you buy other hardware solutions down the road? “You want to make sure you have that network flexibility, especially in the early stages,” Cannon said.

The tech world

The continual advancing of technology begs the question of what these advances offer fleet managers in risk and safety. Drivers can now be trained using virtual reality goggles or safety driving apps, for example. But how to evaluate whether a specific technology is right for a certain company? A panel session entitled The Latest and Greatest Technology for a Safer Fleet looked at these and other related issues.

Video is a technology that’s proven to help drivers to learn to do their jobs more safely, said panelist Eliot Feldstein, senior vice-president, strategy and corporate development, Lytx, Inc. For example, certain technologies can show a harsh breaking incident but little other information, Feldstein said. But a video camera mounted on the outside of a vehicle can show the reason for the harsh breaking, such as an obstacle suddenly on the road. A camera mounted in the cab can potentially show dangerous

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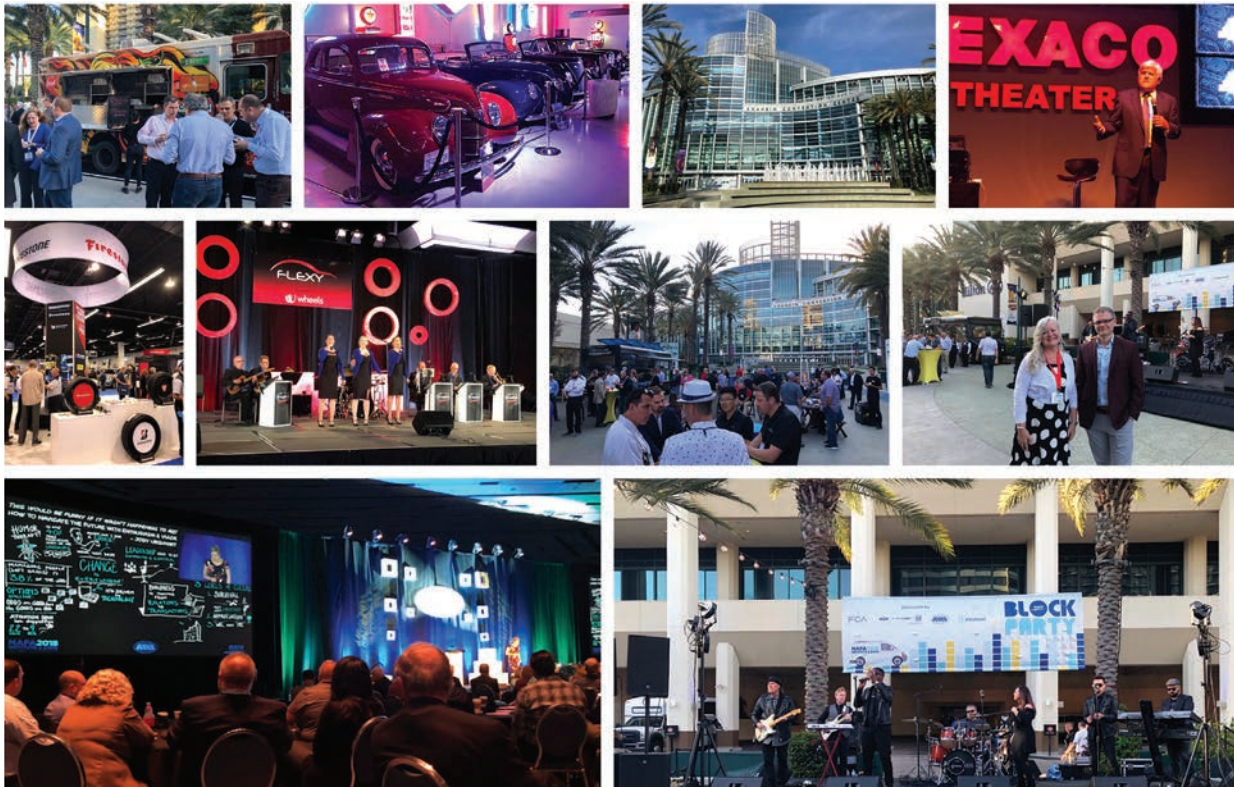
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Photos courtesy of Dorothy Jakovina

Whether it was ARI's Jay Leno Garage Party, the FLEXY Awards, Comedian Jody Urquhart's keynote, NAFA's Block Party or simply exploring the show floor, the 2018 NAFA Institute & Expo offered education, networking and no shortage of fun.

behaviour on the driver's part, such as texting while driving. "It's a unique teaching moment," he said. Another trend, multi-camera views, offer views from areas including the side, front and back of the vehicle.

Other technology trends included "purpose-driven analytics," Feldstein said. Rather than overwhelming fleet managers with too much information, purpose-driven analytics involves providing only certain data, such as risky, prevalent behaviours.

Feldstein stressed the importance of helping drivers understand that such technology didn't represent babysitting them on the job. Rather, using such technology helped boost safety and at times, protect drivers from blame for incidents that weren't their faults.

Virtual reality (VR) as a tool for safety training was also a recent trend, said fellow panelist Ashlee Biggs, director, technology products, Element Fleet Management. VR represented an immersive experience for the trainee—creating better knowledge retention—and less tech savvy was needed. It pays to consider the problem you want solved before choosing a technology to use, Biggs advised. Many companies want to invest in or test a technology, but if fleet managers understand the problem up front they increase chances of choosing the right technology.

Fleet savings

Fleet is a big spend in an organization. But some key areas for potential cost reductions can be overlooked. Areas like policy implementation, driver management, fleet structure and data management can be under the cost reduction radar but can be significant savings sources. One panel session, called Fleet Savings

Initiatives to Start Today, looked at these and other issues.

Jeff Cole, director of strategic services at ARI, gave the audience three points to bear in mind when looking at potential fleet savings: have less, spend less and get more out of what you have. Policy is the foundation of both strategy and savings initiatives, Cole said, and it's important to that policy with business strategy. So-called "grey fleet"—vehicles that don't belong to a company but are still used for business travel—represent a "huge opportunity" for savings, Cole said. Organizations often look at company owned or leased assets but miss that grey area. It can also pay to look at who qualifies to use company-owned vehicles.

Fellow panelist Sherry Calkins, associate vice-president, strategic partners, Geotab, also stressed the importance of policy in managing fleets. She suggested regularly reviewing policy as circumstances change. Data is also important, and organizations that don't use telematics should review other data sources. Calkins also recommended working with an open platform since it allows fleet managers to integrate other systems into one data source and bring together all the data. A closed platform can make it more difficult to share data or run reports from it.

Privacy and security is also important, Calkins noted. Organizations should understand how vendors use their data and what happens to that information. "Make sure your partners are using good practices," she said. "No one wants to be in the news for cyber security breach."

NAFA's Institute & Expo offered a diverse source of insights and best practices on how to deal with issues they face each day, along with challenges that may arise in the future. **B2B**

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ELECTRIFIED FUTURE

The 2018 Mitsubishi Outlander PHEV



It's a new day for Mitsubishi in North America. They have two new utility products to promote with the compact Eclipse Cross and the slightly larger and electrified Outlander PHEV (plug-in hybrid electric vehicle). The Eclipse Cross will sell better, but there's no vehicle that represents Mitsubishi's future more than the Outlander PHEV. The Outlander PHEV represents a new direction.

Under the Outlander's hood is its first big change from its gas version. The PHEV uses a 2.0-litre four-cylinder engine that produces 117hp and 137lbs-ft of torque instead of the 2.4-litre. Helping in the engine start-up and follow-through are twin electric motors in the front and rear, along with a 12kWh battery pack centrally placed under the seats for optimal driving balance. The electric motors add a combined 160hp and 245lbs-ft of torque to the mix, but Mitsubishi doesn't list a total output number. The gas engine powers its front wheels, while a single gear transmission works its rears.

A key aspect of this PHEV SUV is its 35km of pure electric range. It doesn't sound like much, but when compared to its competition, the Outlander has the longest range (not including the Pacifica) and its the only one with Level 3 fast charging capabilities that can be charged up to 80 percent in under 30 minutes or for three-and-a-half hours with a Level 2 charger. It has a total combined range of 499km, eliminating range anxiety.

The Outlander PHEV comes in three trims, all coming standard with Mitsubishi's Super All-Wheel Control (S-AWC): SE, SE Touring and GT. We weren't able to test the S-AWC in snowy conditions; instead we got lots of rain, a suitable alternative for the top-tier GT I was placed in. The GT shows off a better interior than past Mitsubishi products featuring leather seats, faux wood accents, power liftgate and a host of safety technology.

There was no EV shriek and no weird buzzing. The Outlander displayed its low-range torque that quickly brought me up to speed. Given all the driver-selectable modes and buttons, the quiet ride surprised me, creating a relaxing ride. It takes a while to understand the surroundings, but once the system is understood the Outlander drives similar to gas counterpart.



AS TESTED

Starting price: \$42,998
(Incentives: Ontario \$7,000; Quebec \$4,000; British Columbia \$2,500)

Engine: 2.0-litre four-cylinder & 2 electric motors

Power: 117 hp, 137 lb.-ft. of torque (gas engine); 160 hp, 245 lb.-ft. of torque (combined electric motors)

Transmission: single gear transaxle

Drivetrain: four-wheel-drive

Rated Fuel Economy: (Le/100 km; L/100 km): City 3.0/ Hwy 3.4 (EV); City 9.4/ Hwy 9.0 (gas)

There are three driving modes that adjust based on the slope of the road. The default setting is EV Mode that emits zero tailpipe emissions. This only lasts for short stretches, including coasting or braking, but as you push on the throttle, Series Hybrid Mode engages. It's not exactly as it reads, as the gas engine is only used as a generator to produce electricity for the battery, while the Outlander is still propelled by the two electric motors. Parallel Hybrid Mode is the final setting that's actually driven

by the engine with assistance from those electric motors. This is engaged only when pushed hard or driven beyond 120km/h.

When it's in motion, there's a lot going on. All the vehicle's actions depend on the driver's throttle input—not a distraction at all. However, there are three more modes for charging purposes that can be manually adjusted by the driver: EV Priority Mode, Battery Charge Mode and Battery Save Mode.

The EV Mode places the vehicle in 100-percent electric propulsion under speeds of 120km/h. This can be used until there's one EV bar left in the battery tank. Once depleted, the driver can adjust to Battery Charge Mode that uses the 2.0-litre gas engine to recharge the battery while in motion, up to an 80-percent charge within 40 minutes. Battery Save Mode conserves the current charge of the crossover by operating in hybrid mode.

When not thinking about charging or driving in EV mode, the Outlander PHEV is a decent ride. It won't win any speed contest, nor does its handling compare to some of its gas rivals, but it performs admirably while saving 3.2Le/100km in EV mode or 9.2L/100km with gas. It's a city crossover with four-wheel drive capability always on display. **B2B**



UNDER PRESSURE

Tire inflation remains one of the most crucial components of vehicle safety

Consumers are savvier about vehicle safety standards than a decade ago, when rudimentary safety technology added thousands to a car's price. Through stricter highway standards, better access to information and competition between automakers, buyers are not only more informed but also have higher expectations about choosing a vehicle.

The same goes for tires. Most people once regarded tires as simply black bands of rubber encircling their car's wheels. But they're much more than that. Tires combine sophisticated engineering and chemistry to produce one of the most important components of vehicle performance. Literally the conduit between car and road, tires provide the element of grip.

Aside from complex compound blends and highly engineered tread pattern designs, one of the most vital components of tires is surprisingly simple. It's also the least expensive.

The air inside their tires is as important as the materials making up its construction. Proper inflation distributes the car's weight evenly across all four wheels, and tires perform best when inflated to their designated PSI (pounds per square inch) pressure; the air acting as a cushion between the wheel and the road and influencing the comfort and ride qualities. Yet according to Transport Canada, up to 50 percent of cars on the road have at least one tire that is 10 percent under, or over-inflated, and 10 percent of those are under-inflated by as much as 20 percent. Most people rely on tire-pressure monitor systems to warn them. But these systems don't kick in until the tire is 25 percent below. By that time, Transport Canada warns it's "three times as likely to be involved in a crash".

As well, a vehicle with a single tire under-inflated by only 8PSI can expect reduced tire life of up to 15,000km. Fuel consumption is affected by the effort expended to overcome inertia, or its resistance to rolling. Each one PSI drop in pressure on all four tires can lower fuel efficiency by 0.4 percent. If the average person drives 20,000km per year it could add 545L of gas.

Kal Tire invited us to participate in an exercise using a pair of identically configured vehicles over a small handling course. Each car had Nokian Entyre 2.0 all-season tires; one with the recommended 33PSI, the second at 26PSI. The difference wasn't enough to trigger a TPS warning, and wasn't discernible to the eye. The exercise featured acceleration to 50km/h, into a smooth slalom, followed by a tight radius, a couple of gates (for quick lane changes) and ended hard on the brakes. While most of the results would be decided through feel, a chalk mark was applied to one front sidewall of each vehicle to offer proof of tire stability.

The properly inflated tire responded well to steering inputs, remaining stable through the slalom and showing little evidence of understeer through the turns. Through the gates, the tires delivered the grip the vehicle needed to maintain control. Accelerating up to 50 km/h, we ended with a full-on panic stop, under which the vehicle maintained control in a straight line with minimum sliding.

The next vehicle, clad with 26PSI tires, wasn't as quick to accelerate, and showed more body roll and less stability in the slalom. Through tight turns, the tires responded slower to a quick tap of the brakes to redistribute the car's weight evenly across all four contact patches. Predictably, the car began to plow, or understeer, necessitating more shuffling of the steering wheel to correct its path and re-establish the turn. The fraction of disconnect between input and response, created notable stability loss. Braking was much less decisive and with a longer stopping distance.

The first chalked tire showed some smudging on the shoulder blocks—those chunky side treads that provide much of the stability during hard cornering. This indicated that when most of the vehicle's weight was concentrated on that side while turning, the tire flexed just enough for the shoulder to make contact with the ground.

However, on the second tire at least half of the chalk mark was erased, proving that excessive rolling caused the sidewall to actually scrape the ground. Under-inflation not only affects the vehicle's handling and performance but also shortens the tire's life considerably. The continuous over-flexing of the underinflated

“A vehicle with a single tire under-inflated by only 8psi can expect reduced tire life of up to 15,000km.”

tire can build up enough heat and friction to cause a blowout.

Check tire pressure at least once a month, using a proper gauge and the vehicle's recommended PSI—found on the door jamb—and not the wall of the tire which indicates maximum pressure capacity. It's best to check when the tires are cold, such as early in the morning, as heat causes the air to expand and increase pressure.

The air in your tires can help maximize your vehicle's performance, enhance safety, conserve fuel, and have a lower impact on the environment—and your wallet. **B2B**

Gathering *momentum*

Procurement, security and technology take centre stage at Toronto GBTA Conference

The Global Business Travel Association (GBTA) held its annual conference in Toronto in April, boasting over 800 registrants and record attendance with technology, innovation and security among topics covered. A panel entitled Today's Procurement Practitioner focused on how procurement strategies cross into travel. The discussion featured Andy Bonanno, VP, business development and service delivery, procurement and supply management, Rogers Communication; Don Smith, VP, corporate services, strategic sourcing, global procurement services, Scotiabank; and Joe Waring, VP of strategic sources, Mattamy Homes.

Scotiabank's values include digitization and structural cost transformation, said Smith, including bringing costs down to a finite amount. The bank looks at cost per kilometre, per person and breaks that down by trans-Atlantic and trans-Pacific costs per person, among others. Applying only procurement principles to travel can mean the right program is lacking, since travel is so personal. Rogers works to make travel friendlier and easier for employees. "How do we make it easier while keeping costs in control?" he said. "That's always the challenge."

Waring noted that Mattamy Homes works with partners to ensure compliance and channel spend in order to understand how much it's spending and where that cash is going. It scrutinizes how much its employees travel into different areas while searching for good arrangements for each city. "We focus on where the money is and how much we're spending in each of those



Panelists discuss today's procurement practitioner at the GBTA Conference 2018 | Toronto. From left are: moderator Geoff Parsons, president, GeoPar Consulting; Joe Waring, VP of strategic sourcing, Mattamy Homes; Donald Smith, VP, corporate services, strategic sourcing, global procurement services, Scotiabank; and Andy Bonanno, VP, business development and service delivery, procurement and supplier management, Rogers Communications.

places, and try to manage it that way," he said. "We try to balance convenience and simplicity with the cost."

Another session focused on border security, procedure updates and airport security. Panelists included Neil Parry, vice-president, service delivery, CATSA; Jacques Cloutier, executive vice-president, CBSA; Scott Collier, vice-president of customer and terminal services at the Greater Toronto Airport Authority.

Collier noted growth represents an opportunity rather than challenge. The biggest challenge his organization faces is complacency, he said. "It's how we behave every day that's going to determine the success of the 68 carriers that operate at Toronto Pearson," he said. For his part, Cloutier agreed that growth wasn't a threat. But a challenge lies in learning how to cope with that growth while not automatically using more people and money, he added. "Facilitation is key for us," he said. "But balancing that with a secure approach is also the way forward."

Safety and security is at the core of CATSA's mandate and represents a

main challenge, Parry said. Growth is the second biggest challenge and opportunity—the number of screened passengers increases each year. "We need to facilitate the movement of those passengers so that it enables the industry," Parry said. "Without the industry there's no reason for us to exist. But the challenge we have in doing that where there are pressures on airport infrastructure and we recognize that." The agency works with partners to ease the movement of ever-growing passenger volume. The agency must focus on innovation, using technology to service passengers while maintaining security, Parry said.

There's been a culture change at CATSA, Parry noted. The agency must ensure it doesn't impede traveller flow while balancing security with privacy. "Any data that we collect from passengers which we use to model, to do simulations, to plan, to resource, all that is protected," he said. "It's purged from the system when we're done with it."

The CBSA is working to keep pace with growth, noted Cloutier. The culture change involves how it leverages technology to move from "finding the needle in haystack to getting rid of the hay and focusing on the real threat," he said.

That involves teaching officers how to leverage that technology. The CBSA also works to be as "low touch" as possible—not all passengers are stopped or searched, Cloutier stressed. There's a need to focus on how passengers are treated, said Collier. "This industry fundamentally has to reimagine how we think about the travel experience," he said. **B2B**

A CONNECTED SYSTEM

A look at managed travel's history and trends for the future

Corporate travel has developed to shed outdated processes while adopting new methods and technologies. To mark its 60th anniversary, *PurchasingB2B* spoke with corporate travel management companies (TMCs) for their perspectives on the changes the field has seen over the past six decades and what developments the future might bring.

Companies once consulted a book—similar to a telephone book—for flight schedules, says Sherry Saunders, senior vice-president and GM, Carlson Wagonlit Travel (CWT) Canada. Now, a main issue in travel management is the pace of evolution and the role TMCs will play, Saunders says. The “order taking” approach of the past is evolving, with those TMCs becoming consultants to the corporations that employ them. “There have been huge changes in much less than 60 years,” she says.

The overall digitization of the world is helping to drive that change, Saunders says. The way people purchase, view and consume information is now through digital platforms, so employees expect the same experience in business travel. Social media, for example, is now more prominent in the business travel world. Employees can share experiences or business information on the road via Twitter, LinkedIn and other platforms. Also, the rise of products like Airbnb and trends such as bleisure—mixing business and leisure travel—are changing the way employees conduct business travel. CWT is addressing this personalized approach to travel through products like its Roomit platform, which lets users search for places to stay when travelling, among other functions.

Consumerization

Managed travel has evolved over the years into what's now a “connected ecosystem,” says Michael Robertson, vice-president of sales and account management for Egencia. There's also been a

shift towards traveller experience and satisfaction. Travel managers are seeing the benefits of this shift through spend control, policy compliance and productivity engagement. “Today, traveller satisfaction doesn't have to come at the expense of cost savings,” he says.

Shifting geo-political landscapes have meant that duty of care is even more important than before, while technology's emergence has affected how the field has evolved. But the biggest trend, Robertson says, is consumerization, along with technology developments. Several interesting technology start-ups are entering the field to address niche focuses like natural language, machine learning and artificial intelligence. “The travel management community will need to respond and incorporate these niche players into a greater platform of experience for companies and travellers,” Robertson says.

Regarding trends for the future, machine learning, among other developments, will help power corporate travel, Robertson notes. When machine learning combines with corporate travel, the

business travel is that over the past 60 years, travel wasn't managed at all, says Vision Travel. Responding by email, the company says that travel wasn't classified as a “manageable product” but simply the cost of doing business. This resulted in expensive and risky outcomes. The “management” part of travel became relevant as it became clear how important it was to a company's success. The list of areas of managed travel that have changed recently appears endless, the company says. Whether it's e-tickets, self-serve kiosks, online tools and services or remote staff and more independent travellers, the managed travel world is vastly different from what it once was.

According to Vision Travel, future trends will include technology-based travel management and data integration with enhanced data delivery. Innovation in booking tools that are specific to clients' needs will be paramount, and managed travel programs will remain partnerships with more client dependence for travel expertise, recommendations, knowledge and information. And

“The best partners to help companies navigate these constants and keep them moving forward are those that are designed to adapt and execute with speed.” —MICHAEL ROBERTSON, EGENCIA

technology “learns” how to provide travellers with a better experience. Real-time data will increasingly be used to monitor and improve managed travel. Data visualization technology allows travel managers to turn data into insights in minutes. “Innovation, evolution and revolution are inevitable,” Robertson says. “The best partners to help companies navigate these constants and keep them moving forward are those that are designed to adapt and execute with speed.”

The most important development in

although the expectation is for technology-based products and solutions, delivery of those products will continue to be driven by relationships, Vision Travel said. “The relationships we build with our travellers and our clients, and all of our teams, is truly the key to our success,” the company said.

The managed travel field has changed over the years, moving from business cost to an essential, technology driven enterprise. Its will be exciting for organizations and their travelling employees. **B2B**

A hand in INNOVATION



ProcureCon Canada conference offers procurement skills and strategies, plus Canada's first-ever EPIC Awards

Roughly 100 procurement professionals turned out for the fifth-annual ProcureCon Canada Conference last April. The conference, held each year at Toronto's Hyatt, focuses on strategies, skills and techniques for modern procurement professionals.

This year's conference focused in part on procurement's role in innovation, with Wael Safwat of Black & McDonald advising attendees on how to deal with procurement's evolving role. During an education session, entitled How To Sell Your Value Proposition, Safwat likened procurement's role to that of "architects of innovation." He noted that Apple CEO Tim Cook moved from procurement to head of that company.

Another education panel focused on how to attract people to procurement keep them there. The panel began by discussing procurement's role in creating competitive advantage. That comes down to what an organization's corporate mandate is, said panelist Sumeet Kumar, head of payments/credit services and corporate procurement at The Home Depot Canada. Once that mandate is set it's possible to align procurement's objectives to that vision. "You've got to look at revenue, you've got to look at assets, you've got to look at all the other things you can do to drive profitability," Kumar told the audience.

The skills needed for a role can also vary depending on how far along the procurement team is in its journey, said fellow panelist Marnie Banting, director of vendor supply chain at Holt

Renfrew. An entrenched procurement group might require different skills than one that's at the beginning of defining its strategy and how it interacts with the various pieces of the business, she noted. A new team may need people with traditional procurement skills like relationship building. "They have to be really good communicators, really good relationship builders, they have to be agile and nimble and they have to be a bit of a jack-of-all-trades," she said.

EPIC Awards

New this year was the EPIC Awards, an awards program celebrating innovative, dynamic and accomplished leaders in indirect procurement. Nominations were accepted for individual and team innovation, rising star and lifetime achievement. The winners were announced at the conference. The finalists were: Rising Star: Janine Skolney, Linda Sadiku; Innovative Team of the Year: BGIS, Capgemini, PSPC; Innovator of the Year: Devlin Fenton, Jonathan Roseberg; Lifetime Achievement: Kevin Giblin, Wael Safwat, Arnab Mandal. PurchasingB2B spoke to the winners in each category. The EPIC Awards were held in partnership between ProcureCon Canada and PurchasingB2B.



From left: Michael Power, editor, PurchasingB2B; Wael Safwat; Jennifer Platt, program director, ProcureCon Events.

Wael Safwat Lifetime Achievement Award

Wael Safwat, procurement director at Black and McDonald and chair of the Canada Branch, Chartered Institute of Procurement & Supply (CIPS) UK, is a UK-qualified chartered fellow with over 22 years of global indirect procurement experience. He is the first chartered fellow, procurement & supply chain

in North America and only the seventh globally. Safwat has set up corporate, centralized, centre-led and shared services procurement and supply chain functions and in 2014 his procurement transformation across the Middle East and Africa received an award in the UK as the "Most Improved Procurement Operations—Start Up" while being a Finalist Award for "Best People Development Initiatives" and "CIPS Middle East Procurement and Supply Chain Management Professional of the Year."

"The award comes with a great responsibility to maintain the highest level of integrity and dedication for continuous improvement and the commitment for giving back to the profession," Safwat says.

The Internet of Things (IoT), Industry 4.0, Big Data, robotics and blockchain are all poised to drive the evolution of the field, Safwat says. Procurement should also introduce innovation that enhances business competitiveness. Organizations will then think of procurement as a strategic enabler that creates value. Safwat advises other practitioners to keep learning and be open to challenges. "Continuous professional development, benchmarking, networking and the ability to give back will enable you to progress significantly in your career," he says.

A career is a journey rather than destination, Safwat says. In the future, he plans to accept challenges while continuing to learning. "I am committed to give back to the profession and help other as I was lucky to be supported and coached by great people during my career."

Linda Sadiku Rising Star Award

Linda Sadiku, indirect and OMHG sourcing supervisor at 3M Canada, won the Rising Star Award. She has led her organization's source-to-pay business transformation initiative while becoming the "go-to" person for all levels. Her desire for leadership roles shows her drive and she's positioned to become a strategic, visionary leader in strategic sourcing.

Sadiku graduated with a degree in business management specializing in HR. Her father worked in supply chain so with some guidance from him she pursued the field, eventually starting at 3M Canada. She is working on her SCMP designation and expects to be certified this year.

In procurement, every day is different

and the career opportunities are "endless," Sadiku notes. "During my time at 3M Canada, I have already learned a great deal about various commodities we purchase and I still feel like there is much more to learn," she says.

The source-to-pay transformation involved everyone in the company at all levels, Sadiku notes. "I feel it was a success based on the culture and people we have working here," she says. "Everyone was dedicated and motivated to make it successful and worked together to make it happen."

For Sadiku, winning the Rising Star Award represents the notion that hard work really does pay off. While working hard to progress in her career she has also continued to further her education



From left: Michael Power, editor, PurchasingB2B; Linda Sadiku, Jennifer Platt, program director, ProcureCon Events.

by pursuing her SCMP. While not always easy, the award shows that hard work leads to success. Her future plans, Sadiku adds, involve continuing to grow in the field and obtain the designation. "As mentioned above, the career opportunities are endless and I look forward to seeing where my career path takes me," she says.



Capgemini Team Innovation Award

Capgemini won the Team Innovation Award, and team member Ernesto Laing accepted on their behalf. Together with clients, the team creates and delivers business, technology and digital solutions. Their group procurement function is transforming into a broader ambition towards total cost of ownership reduction through category management to determine outcomes

From left: Michael Power, editor, PurchasingB2B; Ernesto Laing; Jennifer Platt, program director, ProcureCon Events.

for "make or buy" decisions.

The group procurement team, which consists of 200 people worldwide, formed five years ago and has transformed to deliver more value to the business each year. Winning the Team Innovation Award represents the success of the group-wide transformation and globalization that the procurement function has undergone, says Vitold Horodeki, Americas CPO, Group Procurement at Capgemini. The accolade also serves to recognize of the value the group is creating for the organization's stakeholders and clients internationally. "It's a great honor to be recognized externally for this journey," Horodeki says. "The team members are proud to be part of a function that allow them to innovate while delivering value."

Recently, group procurement has broadened its scope beyond sourcing—including suppliers, contracts and costs—to securing the supply (quantity and quality) to address both internal and client needs, Horodeki notes. "We still need to be at the front of procurement changes to stay competitive," he says. "The major disruption we see is automation that is supported by many other technologies." Those technologies include artificial intelligence, robotic process automation, optical character recognition and natural language processing.

Innovation, he says, is critical to stay relevant to the business. To neglect innovation is to risk becoming either obsolete or to simply turn into paper pushers. Embedding innovations into procurement practices creates a competitive advantage for the company, forces the team to stay agile and keeps the process engaging and fun.

Jon Rosenberg Innovator of the Year Award

Jon Rosenberg, vice-president of strategic sourcing and program enablement at Indigo Books and Music won the Innovator of the Year Award. Rosenberg has built a project management organization that has successfully delivered over \$135 million in large enterprise projects. He implemented a new vendor onboarding and compliance tool, which has delivered over \$1 million a year in cost recoveries and full automation of the

supplier relationship management process. He delivered incremental indirect cost savings of \$11 million across all categories, trained supplier-facing functions across the organization in strategic negotiations and issue resolution and received endorsement for a three-year cost transformation roadmap from the senior executive team and board of directors.

From left: Michael Power, editor, PurchasingB2B; Jon Rosenberg; Jennifer Platt, program director, ProcureCon Events.



Devil In The Details

Buyer beware of piggybacking and onboarding

*Paul Emanuelli
is the general
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Procurement
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By Paul Emanuelli

The days of public institutions engaging in non-transparent contract award practices under supplier lists, prequalification rosters and vendor-of-record arrangements are coming to an end. In recent years, these “piggybacking” or “onboarding” arrangements have been repeatedly challenged in bid protests and audit reports as a source of non-competitive and non-transparent contracting. New procurement standards have created far more onerous rules around standing arrangements that often restrict the length of time that a public institution can maintain a “closed shop” of suppliers. These rules also require a careful consideration of the scoping of opportunities and mandate transparent second-stage call-up processes for the award of specific assignments.

Since “piggybacking” and “onboarding” are terms created by industry, rather than formal legal terms contained in treaties or statutes, you will not typically find specific prohibitions naming those practices in the

framework arrangements (known in industry by a number of terms, such as prequalification lists, rosters, suppliers lists, vendor of records, standing agreements, standing orders, etc.). However, the rules and applicable case law and audit reports are clear in requiring transparency in how you call up work under these frameworks. Otherwise, this is improper sole-sourcing and a breach of open competition duties. It is also a breach of the proper stewardship of public spending as noted in multiple public audits.

While frameworks are sometimes used by multiple institutions, transparency standards still apply to (a) how you establish a prequalified list of suppliers, and (b) how you award any specific assignment from the list of suppliers. You cannot directly award in a non-transparent manner because the standing agreement includes a “piggybacking” or “onboarding” clause. Suppliers do not have the authority to give you an exemption from your open tendering obligations simply by agreeing to those provisions. Those clauses are no defence to a sole-source challenge if you have not followed the rules.

Proper prequalification framework purchasing (whether within one organization and its departments, or multiple organizations) requires transparency at the front-end, which for compliance purposes would typically include the disclosure of the involved organizations in the initial prequalification solicitation and then transparent protocols on the call-up process to award work through second-stage competitions. However, compliance requires more than simply “naming the entities” in the original prequalification. It also requires a formal second-stage process and a protocol to ensure that the purchase falls within the original contract scope.

When administering a framework for lower value assignments, you may be able to establish a call-up process without tendering by using a rotational right of first refusal process so long as you pre-established this protocol in your original rules and then ensure that you are managing that rotational system fairly to distribute the work. Otherwise, you typically need to invite all prequalified suppliers to bid on the individual assignments.

Public institutions that are considering the use of a framework agreement should first obtain qualified advice to confirm that the contemplated contract complies with their specific procurement rules since “piggybacking” or “onboarding” is a form of improper sole-sourcing unless you set up and follow a proper framework arrangement. While many standing arrangements have been in place for years, this does not mean that they comply with current statutory, treaty, case law and audit standards. In such situations the devil is in the details. Buyers should therefore beware and do their own due diligence before onboarding onto an arrangement that looks too good to be true. **B2B**

Procurement rules require an open competition any time an anticipated contract value reaches the applicable contract value thresholds.

rules. However, the confusion over the “piggybacking” or “onboarding” terminology should not obscure the long legacy of compliance breaches that have resulted from organizations using their own or another institution’s standing contract arrangements in non-competitive ways. Asking “Where does it say I can’t piggyback on onboard?” is the wrong question. The right question is, “Where does it say I can piggyback or onboard and not conduct an open tendering process as otherwise required under the public procurement rules?”

The procurement rules require an open competition any time an anticipated contract value reaches the applicable contract value thresholds (unless you fall under an exemption or exclusion). Typically, this obligation is met by doing your own tendering process on a one-time basis.

However, this obligation can also be met by using

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