

YG Procurement Analysis

Prepared for:

Yukon Economic Development, Business and Industry Development Branch

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YG Procurement Analysis

Purpose of the project was to analyze Yukon Government procurement data, with the intention of identifying opportunities for import substitution by Yukon businesses.

To our knowledge, this is the first time this type of analysis has been attempted with Yukon Government procurement data.

The analysis presents a snapshot of Yukon Government procurement data.

The procurement data was analyzed with a variety of tools including MSEXcel and Tableau.

YG Procurement Analysis

Yukon Government procurement is tracked through three non-integrated “channels”:

| | Period Covered | No. of Records | Net Value of Transactions |
|------------------------------------|------------------------------|----------------|---------------------------|
| Construction and Services Database | April 2006 to November 2012 | 35,000 | \$1.5 billion |
| Goods Database | April 2007 to November 2012 | 15,000 | \$143 million |
| VISA Purchases Database | August 2011 to November 2012 | 46,000 | \$8 million |

YG Procurement Analysis

Each of the databases have different development histories and structures.

Field entries in the Services / Construction and Goods databases are not “standardized”.

This means that the same type of transaction can be described in several different ways.

The lack of standardization limited comparability within and between the databases.

YG Procurement Analysis

VISA Merchant Category Codes: The U.S. Internal Revenue Service instituted a system of VISA “merchant category codes” in 2004 to help discern which transactions are to be treated as revenue or expenses for income tax purposes.

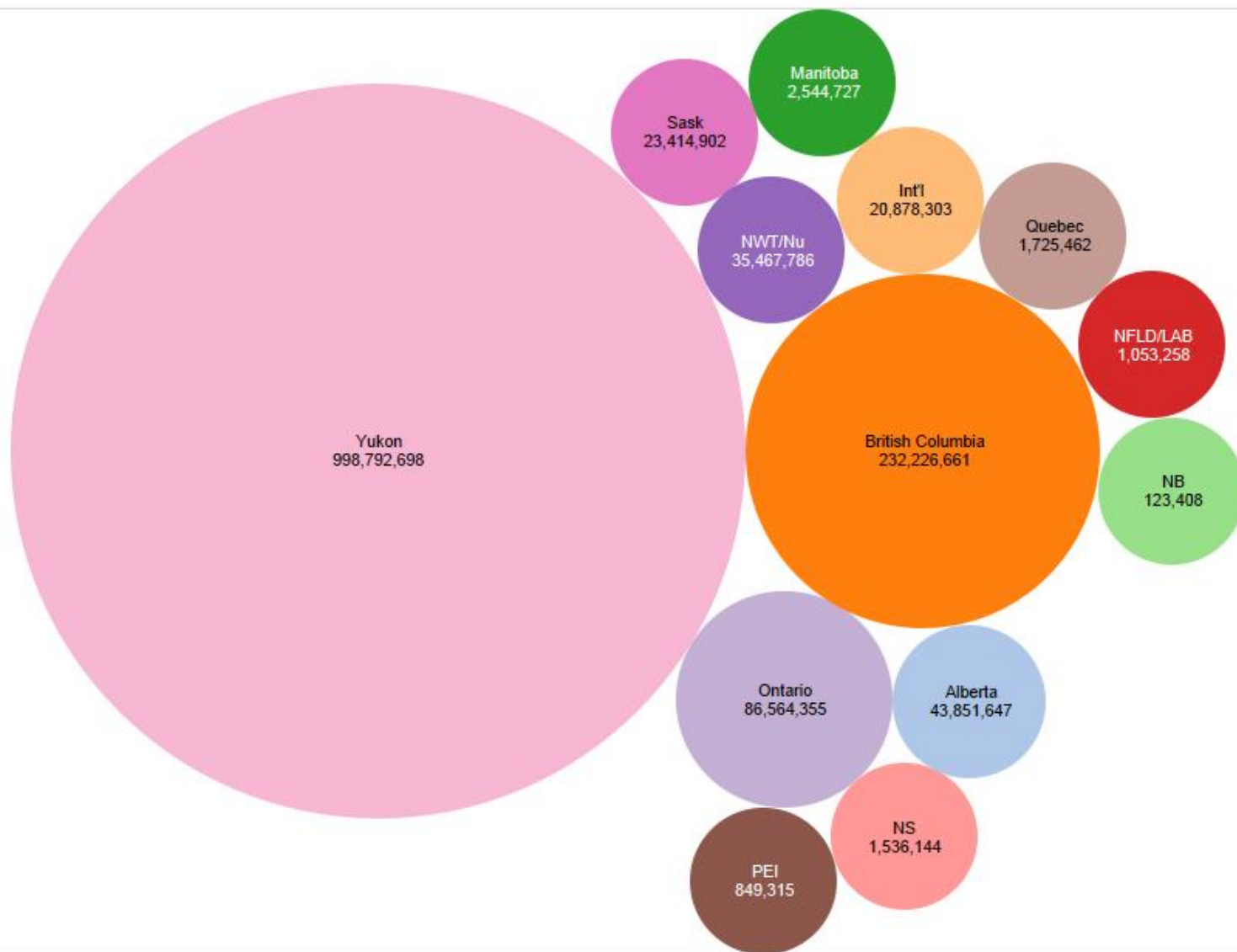
As the YG VISA database contains only the 4-digit MCCs, the MCCs for YG VISA transactions were matched with descriptive labels in the IRS database to identify the types of stores and vendors at which purchases were made.

Merchant locations were also gleaned from the VISA database allowing splitting of transactions into InYukon and OutYukon categories.

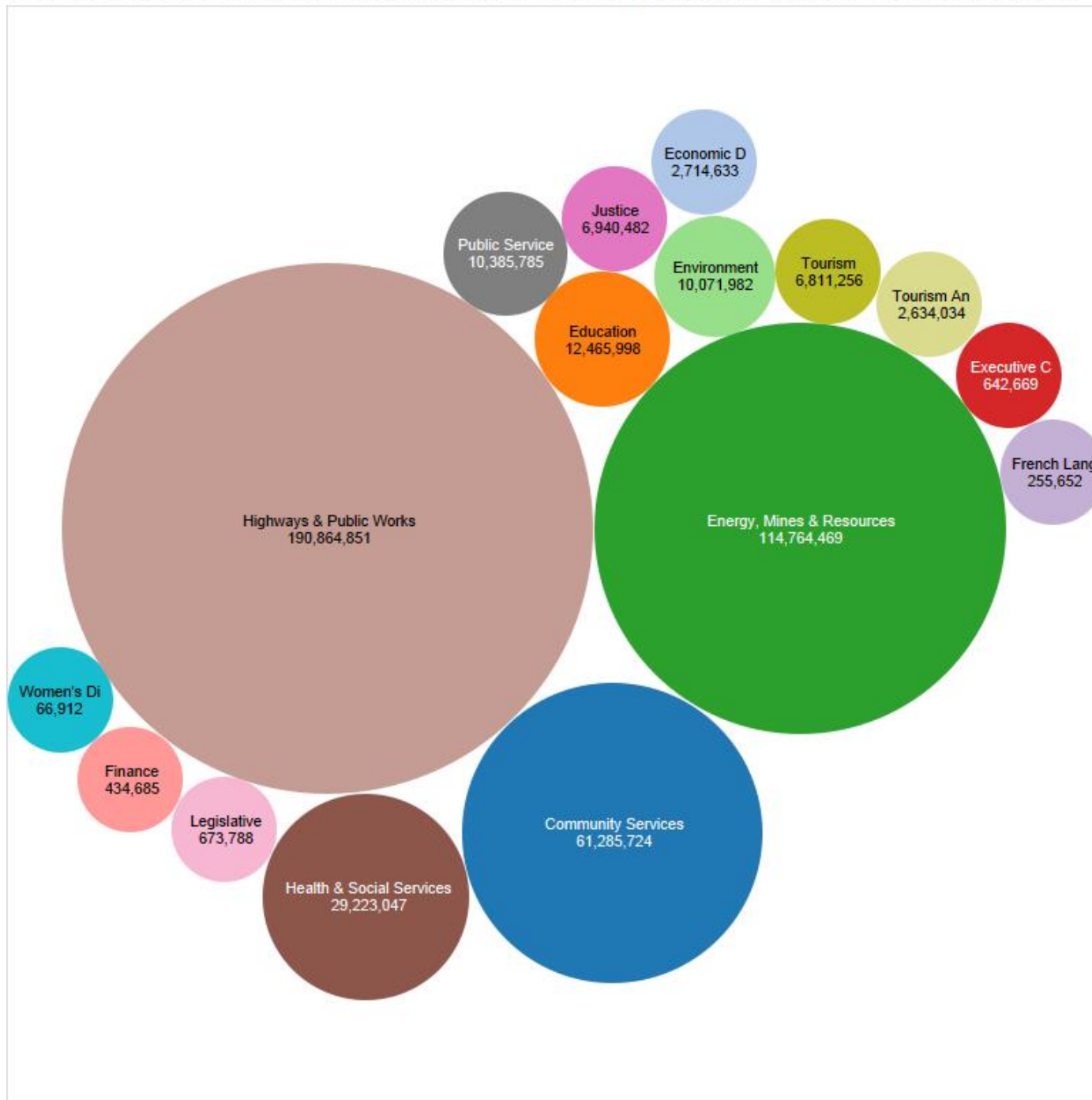
YG Construction and Services Procurement In/Outside Yukon - April 2006 to November 2012

Out \$450,759,485

In \$998,792,698

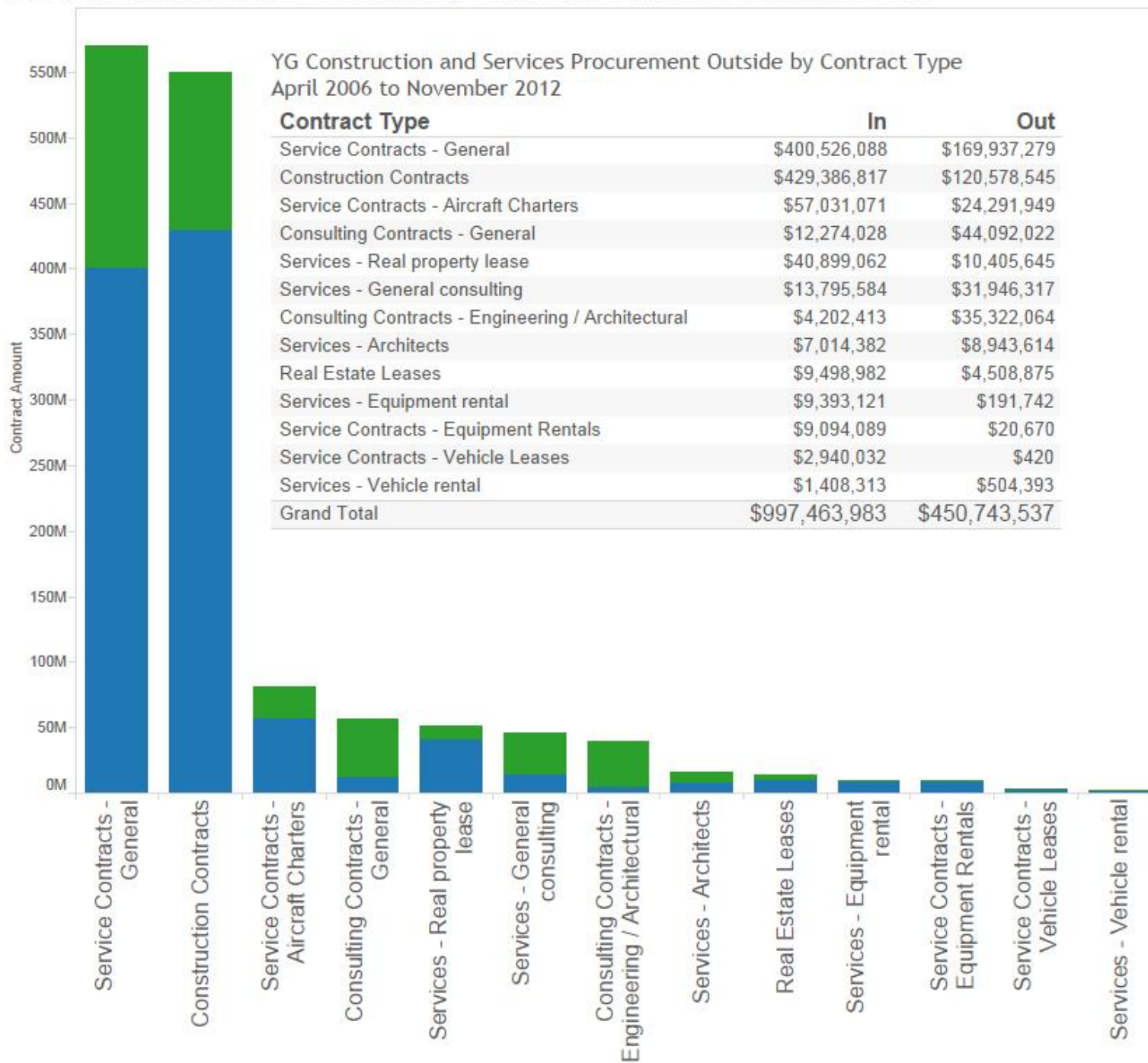


YG Construction and Services Procurement Outside Yukon by Department - April 2006 to November 2012



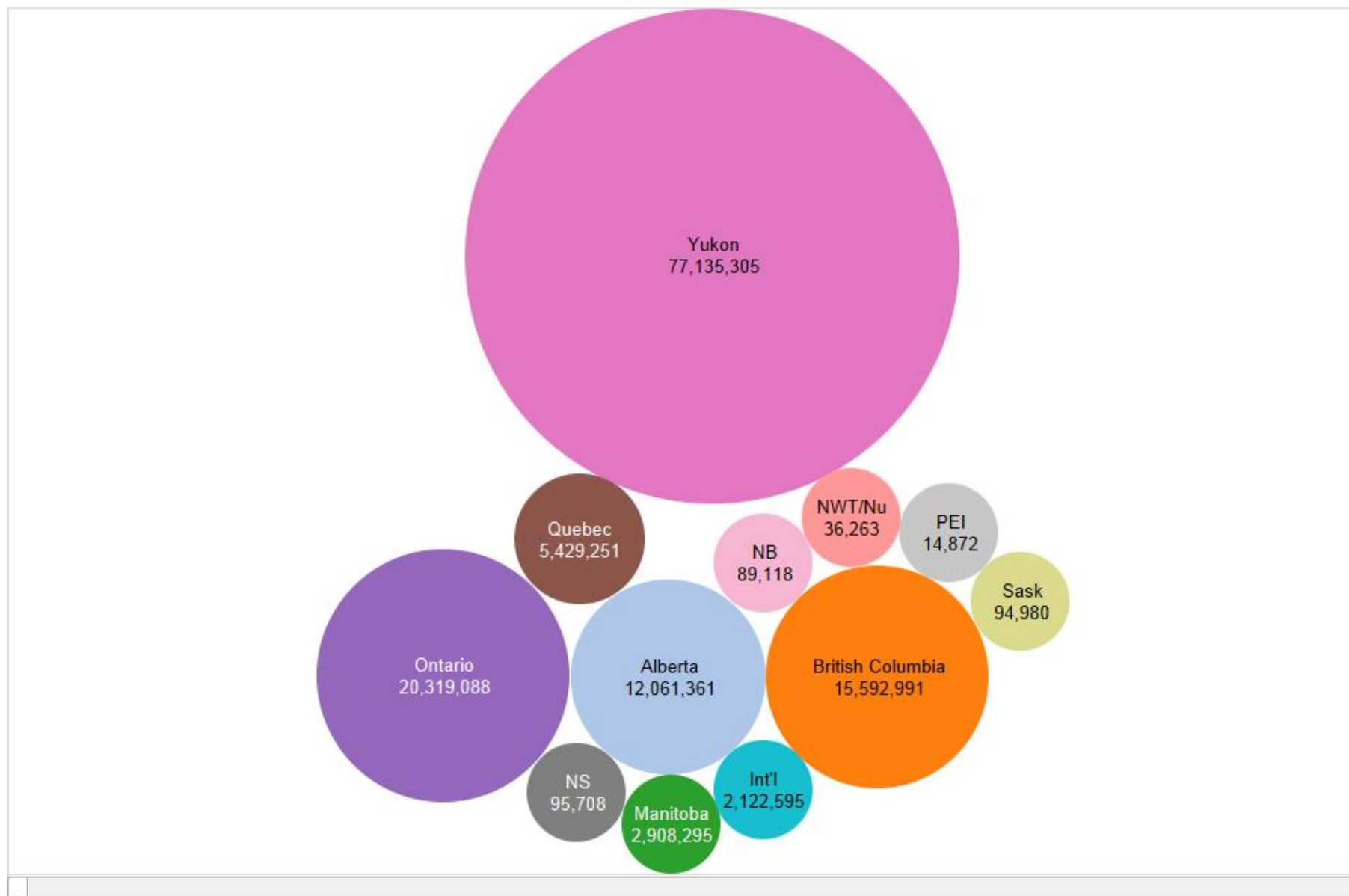
YG Construction and Services Procurement by Contract Type - April 2006 to November 2012

In / Out of Yukon
■ Out
■ In

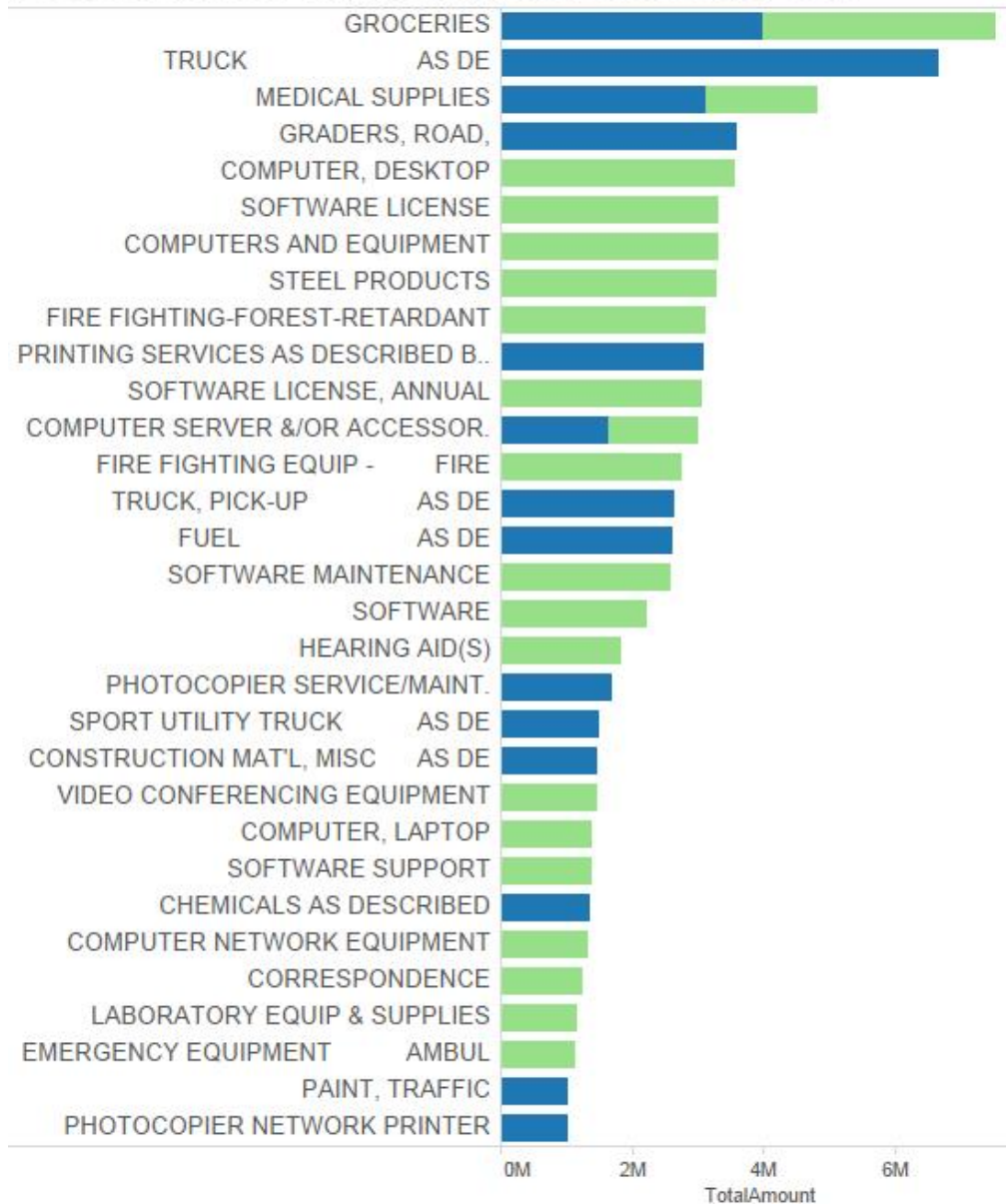


YG Goods Procurement In/Outside Yukon - April 2007 to November 2012

| | |
|-----|--------------|
| Out | \$58,764,521 |
| In | \$77,135,305 |



YG Goods Purchases >\$1million April 2007 to November 2012

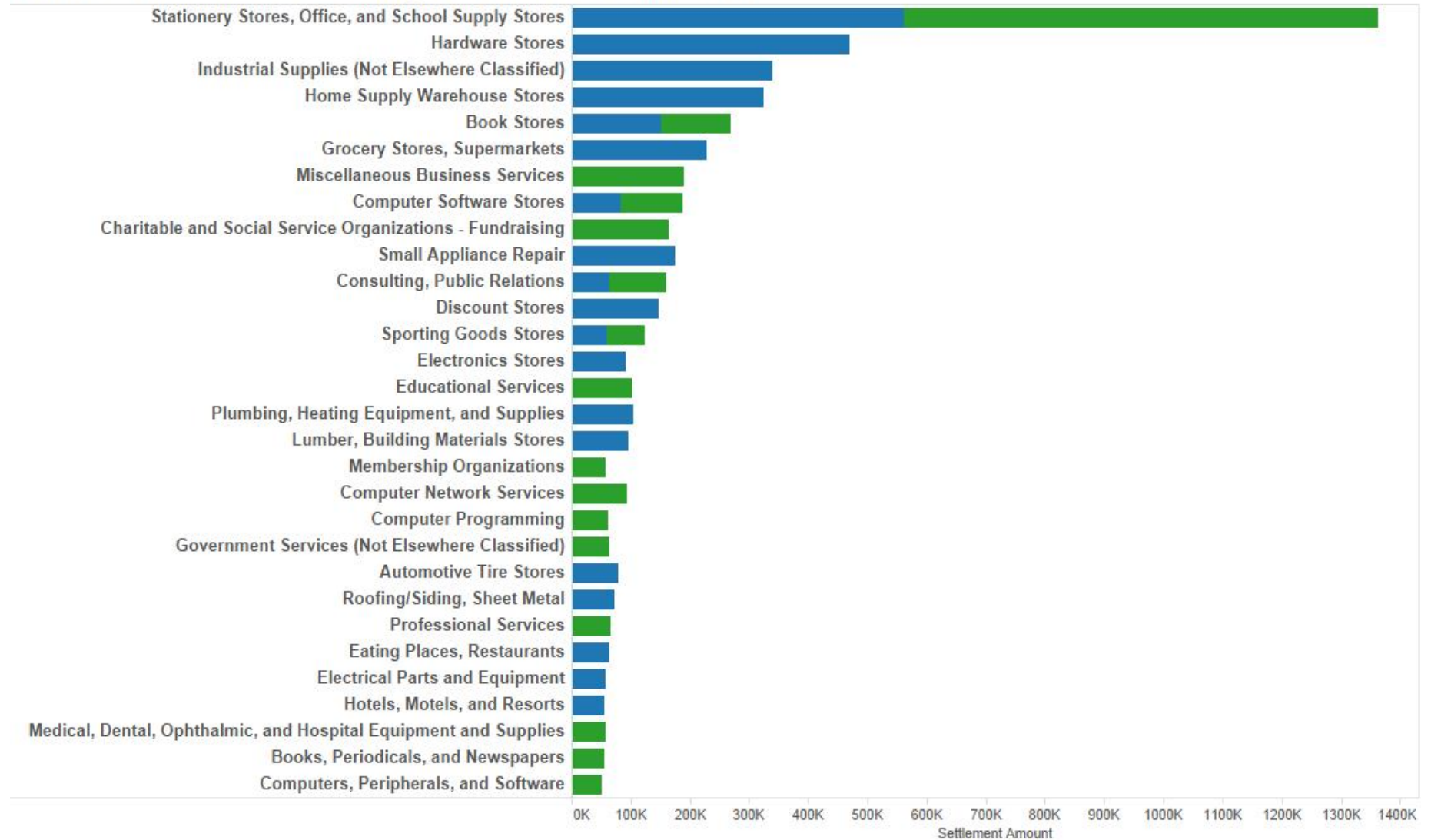


| | In | Out |
|---------------------------------|-----------|-----------|
| GROCERIES | 3,989,439 | 3,528,245 |
| TRUCK AS DE | 6,656,456 | |
| MEDICAL SUPPLIES | 3,112,607 | 1,711,204 |
| GRADERS, ROAD, | 3,597,686 | |
| COMPUTER, DESKTOP | | 3,577,967 |
| SOFTWARE LICENSE | | 3,319,039 |
| COMPUTERS AND EQUIPMENT | | 3,318,944 |
| STEEL PRODUCTS | | 3,282,000 |
| FIRE FIGHTING-FOREST-RETARDANT | | 3,124,600 |
| PRINTING SERVICES AS DESCRIBE.. | 3,097,328 | |
| SOFTWARE LICENSE, ANNUAL | | 3,077,908 |
| COMPUTER SERVER &/OR ACCESSOR.. | 1,635,721 | 1,367,038 |
| FIRE FIGHTING EQUIP - FIRE | | 2,771,432 |
| TRUCK, PICK-UP AS DE | 2,648,104 | |
| FUEL AS DE | 2,617,138 | |
| SOFTWARE MAINTENANCE | | 2,599,629 |
| SOFTWARE | | 2,241,334 |
| HEARING AID(S) | | 1,854,718 |
| PHOTOCOPIER SERVICE/MAINT. | 1,698,923 | |
| SPORT UTILITY TRUCK AS DE | 1,508,542 | |
| CONSTRUCTION MAT'L, MISC AS .. | 1,477,761 | |
| VIDEO CONFERENCING EQUIPMENT | | 1,467,903 |
| COMPUTER, LAPTOP | | 1,404,639 |
| SOFTWARE SUPPORT | | 1,386,522 |
| CHEMICALS AS DESCRIBED | 1,377,342 | |
| COMPUTER NETWORK EQUIPMENT | | 1,334,615 |
| CORRESPONDENCE | | 1,253,151 |
| LABORATORY EQUIP & SUPPLIES | | 1,158,595 |
| EMERGENCY EQUIPMENT AM.. | | 1,140,909 |
| PAINT, TRAFFIC | 1,037,559 | |
| PHOTOCOPIER NETWORK PRINTER | 1,030,298 | |

In / Out of Yukon

■ Out
■ In

YG VISA Transactions >\$50K August 2011 to November 2012



MerchantInYukon
■ OutYukon
■ InYukon

YG VISA Transactions >\$50K August 2011 to November 2012

| MerchantCode | InYukon | OutYukon |
|--|------------------|------------------|
| Stationery Stores, Office, and School Supply Stores | 560,909 | 802,280 |
| Hardware Stores | 470,223 | |
| Industrial Supplies (Not Elsewhere Classified) | 339,669 | |
| Home Supply Warehouse Stores | 323,946 | |
| Book Stores | 152,153 | 116,407 |
| Grocery Stores, Supermarkets | 227,875 | |
| Miscellaneous Business Services | | 189,978 |
| Computer Software Stores | 82,521 | 106,500 |
| Small Appliance Repair | 174,201 | |
| Charitable and Social Service Organizations - Fundraising | | 164,881 |
| Consulting, Public Relations | 64,379 | 95,508 |
| Discount Stores | 146,608 | |
| Sporting Goods Stores | 60,310 | 63,397 |
| Plumbing, Heating Equipment, and Supplies | 104,816 | |
| Educational Services | | 101,649 |
| Lumber, Building Materials Stores | 95,092 | |
| Computer Network Services | | 93,440 |
| Electronics Stores | 92,223 | |
| Automotive Tire Stores | 79,482 | |
| Roofing/Siding, Sheet Metal | 72,888 | |
| Professional Services | | 66,261 |
| Eating Places, Restaurants | 65,040 | |
| Government Services (Not Elsewhere Classified) | | 64,403 |
| Computer Programming | | 61,979 |
| Membership Organizations | | 58,068 |
| Electrical Parts and Equipment | 57,576 | |
| Medical, Dental, Ophthalmic, and Hospital Equipment and Supplies | | 56,675 |
| Books, Periodicals, and Newspapers | | 56,497 |
| Hotels, Motels, and Resorts | 55,371 | |
| Computers, Peripherals, and Software | | 51,822 |
| Grand Total | 3,225,283 | 2,149,746 |

Where are the substitution opportunities? (Value of Outside Spending > Inside Spending)

Construction and Services (April 2006 to Nov. 2012)

- Consulting Contracts – General (+ \$32M)
- Consulting Contracts – Engineering / Architectural (+ \$31M)
- Services – General Consulting (+ \$18M)
- Services – Architects (+ \$2M)

Where are the substitution opportunities? (Value of Outside Spending > Inside Spending)

Goods (April 2007 to Nov. 2012)

- Computer, Desktop (+ \$3.6M)
- Software License (+ \$3.3M)
- Computers and Equipment (+ \$3.3M)
- Steel Products (+ \$3.3M)
- Fire Fighting-Forest- Retardant (+ \$3.1M)
- Fire Fighting Equipment (+ \$2.8M)
- Software Maintenance (+ \$2.6M)
- Software (+ \$2.2M)

Where are the substitution opportunities?

(Value of Outside Spending > Inside Spending)

Goods (continued)

- Hearing Aids (+ \$1.9M)
- Video Conferencing Equipment (+ \$1.5M)
- Computer, Laptop (+ \$1.4M)
- Software Support (+ \$1.4M)
- Computer Network Equipment (+ \$1.3M)
- Correspondence (\$ 1.3M)
- Laboratory Equip & Supplies (+ \$ 1.2M)
- Emergency Equipment - Ambulance (+ \$1.1M)

Where are the substitution opportunities? (Value of Outside Spending > Inside Spending)

VISA Purchases (August 2011 to Nov. 2012)

- Stationery Stores, Office, and School Supply Stores (\$241K)
- Miscellaneous Business Services (\$190K)
- Charitable and Social Service Organizations – Fundraising (\$165K)
- Educational Services (\$102K)
- Computer Network Services (\$93K)
- Professional Services (\$66K)
- Government Services Not Elsewhere Classified (\$64K)
- Computer Programming (\$62K)
- Membership Organizations (\$58K)
- Medical, Dental, Ophthalmic, and Hospital Equipment and Supplies (\$57K)
- Books, Periodicals, and Newspapers (\$56K)
- Computers, Peripherals, and Software (\$52K)
- Consulting, Public Relations (\$31K)
- Computer Software Stores (\$24K)
- Sporting Goods Stores (\$3K)

YG Procurement - Supply Side

- Project also examined supply side of YG procurement
- Meaningful analysis not feasible given available contracting data from Tender Management System
- Small number of records between August 2011 and November 2012 (358) not likely representative of full range of procurement activity (e.g., 6,704 Construction and Services Records during same time period)
- Contract bid sheets not available for every tender and do not contain ranking information (only prices and winner identified)

Considerations for further analysis

- To facilitate more refined analysis, consolidate the three purchasing databases currently in use into one database with common information fields
- Supply side analysis likely worth pursuing but an alternate methodology needs to be used