

**Report to
Rapport au:**

**Transit Commission
Commission du transport en commun
21 October 2015 / 21 octobre 2015**

**and Council
et au Conseil
28 October 2015 / 28 octobre 2015**

**Submitted on October 14, 2015
Soumis le 14 octobre 2015**

**Submitted by
Soumis par:
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Ward: CITY WIDE / À L'ÉCHELLE DE LA VILLE File Number: ACS2015-CMR-FIN-0041

SUBJECT: DELEGATION OF AUTHORITY - CONTRACTS AWARDED FOR THE PERIOD JANUARY 1, 2015 TO JUNE 30, 2015 FOR TRANSIT SERVICES

OBJET: DÉLÉGATION DE POUVOIR - CONTRATS ACCORDÉS POUR LA PÉRIODE DU 1 JANVIER AU 30 JUIN 2015 POUR LE SERVICE DU TRANSPORT EN COMMUN

REPORT RECOMMENDATIONS

That the Transit Commission and Council receive this report for information.

RECOMMANDATIONS DU RAPPORT

Que le Commission du transport en commun et le Conseil municipal prennent connaissance du présent rapport.

BACKGROUND

The *Purchasing By-law* requires the Supply Branch to report to Council on a biannual basis. However, the Transit Commission Terms of Reference direct staff to report to Transit Commission on Transit Services' delegated authority. Therefore, the delegated authority information contained in this report and in Document 1 relate only to Transit Services. Each biannual report:

1. Contains information on contracts exceeding \$25,000 awarded under delegated authority to Transit Services.
2. Identifies all contracts categorized as:
 - a. Consulting Services
 - b. Professional Services
 - c. Follow-on Contracts & Extensions
 - d. Amendments
3. Identifies the reason for outsourcing in accordance with the definitions discussed below.

DISCUSSION

The contracts approved for the period of January 1, 2015 to June 30, 2015 are listed in Document 1.

Where appropriate, staff used the following definitions as outlined in the *Purchasing By-law* to identify the contract category, the outsourcing reason and the non-competitive exception.

Professional Services

Professional Services means services requiring the skills of professionals for a defined service requirement or for a specific project related deliverable including but not limited to the areas of engineering, architecture, design, planning, information technology, financial auditing and fairness commissioners.

Denoted in report as:

[PE] Professional Services – Specialized Expertise

[PO] Professional Services – Business Model required Outsourcing

[PI] Professional Services - Independent Third Party Oversight

[PR] Professional Services – Regulatory Requirements

[PW] Professional Services – Fluctuations in workload or lack of internal resources

[PP] Professional Services – Proprietary Service or unique market position

Consulting Services

Consulting Services means assistance to management, including but not limited to the areas of strategic analysis, organizational design, change management, policy development, feasibility studies and other services intended to assist decision making within the organization.

Denoted in report as:

[CE] Consulting Services – Specialized Expertise

Amendment

An amendment is an increase in the scope of an approved contract, which is unanticipated. Those amendments that are both greater than \$50,000 and 50% of the original contract will be identified separately in the quarterly report as directed by Council on 25 October 2006.

Denoted in report as:

[A] Amendment

[A3] Amendment - >\$50,000 and 50% of original contract

Follow-on Contract & Extensions

A follow-on contract differs from an amendment in that the original contract or bid solicitation document recognizes the fact that it is likely that the initial defined contract scope may be expanded to include a number of related phases that are either included in the tender document, or are customary in relation to the work assignment. Rates charged for the follow-on contract are reviewed by the Supply Branch, and must be based on those rates proposed by the service provider in the original competitive bid.

Denoted in report as:

[F] Follow-on Contract

An extension to a contract is not categorized as an amendment or a follow-on contract. An extension is a contract term allowing the City to continue purchasing the good or service for an extended period of time where the option to extend the contract was outlined in the bid document, or is deemed to be in the best interest of the City.

Denoted in report as:

[E] Extension

Where a contract contains no option for renewal, Supply has delegated authority under the Purchasing By-law to extend the contract for a period of time no greater than two years from the date of the expiration provided that:

- a. Supply and the Director/General Manager agree that based on market conditions or an analysis of future conditions, cost savings or cost avoidance can be obtained by a renewal; and
- b. The supplier's performance and vendor relations with the supplier have both exceeded the requirements of the Contract.

Denoted in report as:

[E32(2)] Extension – as per Section 32(2) of the Purchasing By-law

Non-Competitive Purchases

22(1) The requirement for competitive bid solicitation for goods, services and construction may be waived under joint authority of the appropriate Director/General Manager and the Supply Branch and replaced with negotiations under the following circumstances:

- (a) Where competition is precluded due to the application of any Act or legislation or because of the existence of patent rights, copyrights, technical secrets or controls of raw material,
- (b) Where due to abnormal market conditions, the goods, services or construction required are in short supply,
- (c) Where only one source of supply would be acceptable and cost effective,
- (d) Where there is an absence of competition for technical or other reasons and the goods, services or construction can only be supplied by a particular supplier and no alternative exists,

- (e) Where the nature of the requirement is such that it would not be in the public interest to solicit competitive bids as in the case of security or confidentiality matters,
- (f) Where in the event of a "Special Circumstance" as defined by this By-law, a requirement exists,
- (g) Where the possibility of a follow-on contract was identified in the original bid solicitation,
- (h) Where the total estimated project cost for professional services does not exceed \$50,000, or
- (i) Where the requirement is for a utility for which there exists a monopoly.

Document 1 identifies all non-competitive purchases as well as references the appropriate subsection 22(1).

Supply Branch certifies that all the contracts awarded under Delegation of Authority for the period of January 1, 2015 to June 30, 2015 are in compliance with the *Purchasing By-law*.

Highlights and Summary of Transit Services Purchasing Activity \geq \$25,000

Figure 1 - Purchasing by Biannual Period (up to Q2 2015)

Quarter	Total Contracts	% of Total Contracts	Total Amount	% of Total Amount
Q1 – Q2 2015	118	100.0%	\$59,757,787	100.0%
Q3 – Q4 2015	-	-	-	-
Total	118	100.0%	\$59,757,787	100.0%

Figure 2 – Q1-Q2 2015 – Purchasing by Branch

Branch	# of Contracts	Contract Value
Customer Systems & Planning (CSP)	28	\$3,190,381
Transit Operations (TO)	87	\$56,394,414
Transit Strategic Services (TSS)	3	\$172,992
Total	118	\$59,757,787

Figure 3 – Q1-Q2 2015 - Purchasing by Type for Transit Services

Type	# of Contracts	Contract Value
Goods	12	\$4,041,601
Fleet & Equipment	45	\$35,790,498
Construction	7	\$765,256
Maintenance Services	7	\$2,141,637
Professional Services*	27	\$1,399,998
IT & Special Projects	20	\$15,618,797
Total	118	\$59,757,787

* IT Professional Services purchases included in IT & Special Projects

Figure 4 – Q1-Q2 2015 - Professional and Consulting Services for Transit Services

Service Type	Total Contracts	Total Value
Professional Services	28	\$2,148,590
Consulting Services	-	-
Total	28	\$2,148,590

RURAL IMPLICATIONS

There are no rural implications.

CONSULTATION

The preparation of this report is required by the *Purchasing By-law* and as such no public consultation is required.

COMMENTS BY THE WARD COUNCILLOR(S)

There are no comments.

ADVISORY COMMITTEE(S) COMMENTS

There are no comments.

LEGAL IMPLICATIONS

There are no legal impediments to receiving this report for information.

RISK MANAGEMENT IMPLICATIONS

There are no risk implications associated with this report.

ASSET MANAGEMENT IMPLICATIONS

There are no asset management implications associated with this report.

FINANCIAL IMPLICATIONS

Prior to a contract approval, Supply Branch staff confirms that the appropriate funds are available in the budget, based on receipt of a funded requisition in SAP. The availability of funds is a condition of approval under the *Purchasing By-Law*.

ACCESSIBILITY IMPACTS

There are no accessibility impacts associated with this report.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications to this information report.

TECHNOLOGY IMPLICATIONS

There are no technology implications to this information report.

TERM OF COUNCIL PRIORITIES

There is no term of council priorities associated with this report.

SUPPORTING DOCUMENTATION

Document 1 - List of Contracts with a value of \$25K or more, awarded under delegated authority for the period January 1, 2015 to June 30, 2015 for Transit Services

DISPOSITION

Report forwarded for information pursuant to the Purchasing By-law.