

**Report to
Rapport au:**

**Transit Commission
Commission du transport en commun
16 May 2018 / 16 mai 2018**

**and Council
et au Conseil
23 May 2018 / 23 mai 2018**

**Submitted on May 8, 2018
Soumis le 8 mai 2018**

**Submitted by
Soumis par:**

**Will McDonald, Chief Procurement Officer, Supply Services, Corporate Services
Department / Chef de l'approvisionnement, Service approvisionnement, Direction
générale des services organisationnels**

Contact Person

Personne ressource:

**Joanne Graham, Manager, Procurement, Supply Services, Corporate Services
Department / Gestionnaire approvisionnement, Direction générale des services
organisationnels**

613-580-2424, ext. / poste 43679, JoanneH.Graham@ottawa.ca

Ward: CITY WIDE / À L'ÉCHELLE DE LA VILLE File Number: ACS2018-CSD-PRO-0002

**SUBJECT: DELEGATION OF AUTHORITY – CONTRACTS AWARDED FOR THE
PERIOD JULY 1, 2017 to DECEMBER 31, 2017 FOR TRANSIT
COMMISSION**

**OBJET: DÉLÉGATION DE POUVOIR - CONTRATS ACCORDÉS POUR LA
PÉRIODE DU 1 JUILLET AU 31 DÉCEMBRE 2017 POUR LA
COMMISSION 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 *Procurement By-law* requires Supply Services to report to the Finance and Economic Development Committee (FEDCO) and Council on a semi-annual basis. However, the Transit Commission Terms of Reference direct staff to report to Transit Commission on OC Transpo's delegated authority. Therefore, the delegated authority information contained in this report and in Document 1 relate only to OC Transpo. Each semi-annual report:

1. Contains information on contracts exceeding \$25,000 awarded under delegated authority to OC Transpo.
2. Identifies all contracts categorized as:
 - i. Consulting Services
 - ii. Professional Services
 - iii. Follow-on Contracts & Extensions, and
 - iv. Amendments.
3. Identifies the reason for outsourcing in accordance with the definitions discussed.

DISCUSSION

The contracts awarded for the period of July 1, 2017 to December 31, 2017 are listed in Document 1.

Where appropriate, staff used the following definitions as outlined in the *Procurement By-law* to identify the contract category, the professional and consulting services 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 per cent 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 and 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 Supply Services, 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 Services has delegated authority under the *Procurement By-law* to extend the contract for a period of time no greater than two years from the date of the expiration provided that:

1. Supply Services 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
2. 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 Procurement 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 Supply Services 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 of Article 22(1).

Supply Services certifies that all the contracts awarded under delegation of authority for the period of July 1, 2017 to December 31, 2017 are in compliance with the *Procurement By-law*.

Highlights and Summary of OC Transpo Purchasing Activity \geq \$25,000

Figure 1 – 2017 Purchasing by Period

Quarter	Total Contracts	Total Value
Q1 – Q2 2017	116	\$77,377,434

Quarter	Total Contracts	Total Value
Q3 – Q4 2017	79	\$76,752,211
Total	195	\$154,129,645

Figure 2 – Q3 and Q4 2017 Purchasing by Service Area

Service Area	Total Contracts	Total Value
Business Support Services (BSS)	1	\$105,199
Safety, Compliance, Training & Development (SCTD)	2	\$282,649
Transit Customer Systems & Planning (TCSP)	22	\$5,307,951
Transit Operations (TO)	54	\$71,056,412
Total	79	\$76,752,211

Figure 3 – Total Q1 to Q4 2017 Purchasing by Service Area

Service Area	Total Contracts	Total Value
Business Support Services (BSS)	3	\$276,759
Special Advisor to GM (SATGM)	2	\$964,238
Safety, Compliance, Training & Development (SCTD)	4	\$620,895
Transit Customer Systems & Planning (TCSP)	46	\$12,314,436
Transit Operations (TO)	140	\$139,953,317
Total	195	\$154,129,645

Figure 4 – Total Q1 to Q4 2017 Professional and Consulting Services for OC Transpo

Service Type	Total Contracts	Total Value
Professional Services	35	\$9,177,597
Consulting Services	-	-
Total	35	\$9,177,597

RURAL IMPLICATIONS

There are no rural implications.

CONSULTATION

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

COMMENTS BY THE WARD COUNCILLOR(S)

This is a city wide report and there are no comments required.

ADVISORY COMMITTEE(S) COMMENTS

There are no comments associated with this report.

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 Services 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 *Procurement By-Law*.

ACCESSIBILITY IMPACTS

All contractors with the City of Ottawa must comply with all accessibility laws as applicable to the performance of the work. This includes the Accessibility for Ontarians with Disabilities Act, 2005 (“AODA”) and federal laws, as applicable.

TERM OF COUNCIL PRIORITIES

This report supports the Term of Council priorities (GP - Governance, planning and decision-making and FS – Financial sustainability).

SUPPORTING DOCUMENTATION

Document 1 - List of Contracts with a value of \$25K or more, awarded under delegated authority for the period July 1, 2017 to December 31, 2017 for Transit Commission is provided in a separate document.

DISPOSITION

Report forwarded for information pursuant to the *Procurement By-law*.