

Report to/Rapport au :
Transit Commission
Commission du transport en commun
and Council / et au Conseil

March 18, 2013
 18 mars 2013

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CITY WIDE / À L'ÉCHELLE DE LA VILLE

Ref N°: ACS2013-CMR-FIN-0014

**SUBJECT: 2012 Q3 & Q4 DELEGATION OF AUTHORITY REPORT -
 CONTRACTS AWARDED FOR THE PERIOD JULY 1, 2012 TO
 DECEMBER 31, 2012 FOR TRANSIT SERVICES**

**OBJET : RAPPORT SUR LA DÉLÉGATION DE POUVOIRS AU COURS DES
 3^E ET 4^E TRIMESTRES DE 2012 - CONTRATS OCTROYÉS
 DURANT LA PÉRIODE DU 1^{ER} JUILLET 2012 AU 31 DÉCEMBRE
 2012 POUR LE SERVICE DU TRANSPORT EN COMMUN**

REPORT RECOMMENDATION

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

RECOMMANDATION 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 quarterly 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 quarterly report:

1. Contains information on contracts exceeding \$10,000 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 July 1, 2012 to September 30, 2012 and October 1, 2012 to December 31, 2012, 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 July 1, 2012 to September 30, 2012 and October 1, 2012 to December 31, 2012, are in compliance with the *Purchasing By-law*.

Highlights and Summary of Transit Services Purchasing Activity \geq \$10,000 in 2012

Figure 1 - Purchasing by Quarter

Quarter	Total Contracts	% of Total Contracts	Total Amount	% of Total Amount
Q1 2012	94	34.1%	\$28,464,314	31.5%
Q2 2012	69	25.0%	\$20,797,384	23.0%
Q3 2012	57	20.6%	\$20,883,742	23.1%
Q4 2012	56	20.3%	\$20,286,626	22.4%
Total	276	100.0%	\$90,432,066	100.0%

Figure 2 - Purchasing by Type for Transit Services in 2012

Type	# of Contracts	Contract Value
Goods	26	\$2,710,803
Fleet & Equipment	85	\$63,905,368
Construction	33	\$3,495,268
Technical Services	15	\$2,822,529
Professional Services*	60	\$2,675,923
IT & Special Projects	57	\$14,822,175
Total	276	\$90,432,066

* IT Professional Services purchases included in IT & Special Projects

Figure 3 - Professional and Consulting Services for Transit Services in 2012

2012	Total Contracts	Total Value
Professional Services	68	\$2,941,014
Consulting Services	2	\$152,997
Total	70	\$3,094,011

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.

LEGAL IMPLICATIONS

There are no legal impediments to receiving this report.

RISK MANAGEMENT IMPLICATIONS

There are no risk 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 associated with this 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 \$10K or more, awarded under delegated authority for the period July 1, 2012 to September 30, 2012 and October 1, 2012 to December 31, 2012 for Transit Services.

DISPOSITION

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